

Annual Accounts 2021

Final version of 28/06/2022



DECLARATION OF ASSURANCE

Declaration of Assurance by the Executive Director of the Office

I, the undersigned, Christian Archambeau, Executive Director of the Office, in my capacity as Authorising Officer,

Declare that the information contained in the Final Annual Accounts gives a true and fair view⁽¹⁾ of the financial position of the European Union Intellectual Property Office.

State that I have reasonable assurance that the resources assigned to the activities described in these reports have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgement and on the information at my disposal.

Confirm that I am not aware of anything not reported in the annual accounts which could harm the interests of the European Union Intellectual Property Office.

Alicante, 28 June 2022



Christian Archambeau
Executive Director

Declaration of Assurance by the Accounting Officer of the Office

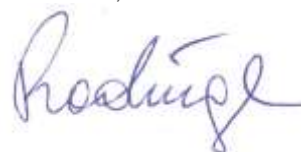
The Final Annual Accounts of the European Union Intellectual Property Office have been prepared in accordance with Title X of the European Union Intellectual Property Office's Financial Regulation⁽²⁾ as well as with the accounting rules adopted by the European Commission's Accounting Officer and the accounting principles and methods adopted by me.

I acknowledge my responsibility for the preparation and presentation of the annual accounts in accordance with Article 49 of the Office's Financial Regulation.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the Office's assets and liabilities and the budgetary implementation.

I hereby certify that, based on this information and on such checks as I deemed necessary to sign off the accounts, I have reasonable assurance that the accounts present a true and fair view, in all material aspects, of the financial position, the results of the operations and the cash flow of the European Union Intellectual Property Office.

Alicante, 28 June 2022



Peter Rodinger, Accounting Officer

⁽¹⁾ True and fair in this context means a reliable, complete and correct view of the information included in the annual accounts.

⁽²⁾ Regulation BC-1-2019 of the Budget Committee of the EUIPO of 10 July 2019 laying down the financial provisions applicable to the Office ('Financial Regulation')

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1. MISSION, VISION AND FUNCTIONING OF THE OFFICE

The European Union Intellectual Property Office ('EUIPO' or 'the Office')⁽³⁾ is the agency of the European Union (EU) responsible for managing the EU trade mark⁽⁴⁾ and the registered Community design, European and international cooperation in the field of intellectual property, as well as the European Observatory on Infringements of Intellectual Property Rights.

The Office has legal, administrative, technical and financial autonomy, and is entirely self-financed through the fees charged for the services it provides to industry. The Office is also the implementing agency for an increasing number of EU-funded projects under contribution agreements with the European Commission in the field of intellectual property⁽⁵⁾ and of a joint multi-annual Fund for SMEs IP related activities and also supports specific EU actions in the field of IP through Service Level Agreements with other EU agencies and Commission DGs.

The EUIPO relies on extensive European and international networks encompassing private, institutional, national and regional stakeholders to deliver its activities effectively and efficiently. The Office's work at EU level extends to the harmonisation of registration practices and the development of common tools in cooperation with its partners from national and regional IP offices throughout the EU, users and other institutional partners.

The result of the collaborative and cooperative efforts between the Office and its national and regional office partners, supported by user associations and international organisations, has evolved to become the European Union Intellectual Property Network (EUIPN) – a powerful, user-focused community of practice extending across the EU.

Protecting IP and raising awareness of its importance is paramount to creating an environment conducive to innovation, which is a fundamental objective of the EU. Therefore, also vital in the EUIPO's work, is the European Observatory on Infringements of Intellectual Property Rights which brings public and private stakeholders together in the fight against piracy and counterfeiting. The Observatory aims to raise public awareness, deliver training, develop systems and provide evidence-based data on IP protection and enforcement. It is also responsible for establishing and managing the EU orphan works database and the public single online portal for the out-of-commerce works. For the EUIPO, this has meant becoming an active participant in the next stage of the intellectual property lifecycle, helping to secure the results of creativity and innovation after trade mark and/or design registration. Following the adoption of the 2022 – 2025 EU priorities for the fight against serious and organised crime (EMPACT), starting 2022, the Office supports Member States in the implementation of those priorities⁽⁶⁾.

⁽³⁾ According to Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark ('EUTMR'), the Office's name was changed from the 'Office for Harmonization in the Internal Market' to the 'European Union Intellectual Property Office' and the former Community trade mark (CTM) was renamed the European Union trade mark (EUTM).

⁽⁴⁾ The Office was established in 1994 to manage the EU trade mark and, from 2003, the registered Community design (RCD) in order to improve the creation of a single market and to harmonise the protection of industrial property within the European Union. EU trade marks and designs are industrial property titles which enjoy uniform protection throughout the entire area of the EU. Its founding Regulation was revised for the last time by Regulation (EU) 2017/1001.

⁽⁵⁾ It acts on behalf of the Commission as the implementing agency for EU-funded projects in China, Latin America, the ASEAN region, Caribbean, Georgia, Africa and Mercosur.

⁽⁶⁾ See Council conclusions setting the EU's priorities for the fight against serious and organised crime for EMPACT 2022 – 2025.

The Council of the EU decides on the appointment of the Office's Executive Director, its Deputy Executive Director, and the President and Chairpersons of the Boards of Appeal. The Executive Director is responsible for the running of the EUIPO. The governance structure of the EUIPO consists of a Management Board and a Budget Committee, each composed of one representative from each Member State, two representatives from the European Commission and one representative from the European Parliament.

The EUIPO has a strong user orientation and excellent performance record since its creation more than 25 years ago. In 2019, it received its two millionth trade mark application and, in 2021, its one and a half millionth registered Community design, underlining the sustained trust and confidence that businesses around the world place in the EU intellectual property system. After having been ranked as one of the most innovative IP offices in the world by the World Trademark Review during four years, in 2021, the Office was ranked again as the most innovative IP office in the world together with the Korean IP office.

The sustainability of activities remains key to the Office and, to this end, the EUIPO Corporate Sustainability Framework⁽⁷⁾, based on the Global Reporting Initiative standards, reviews management systems and ensures that all activities are socially, environmentally and financially sustainable.

The Strategic Plan 2025, built on a vision of delivering IP value for business and citizens in Europe, sets out the Office's strategic direction for the period 2020-2025. It endeavours to ensure that the EUIPO continues to strengthen its position as a hub of excellence in intellectual property, providing customer-centric services and contributing to a stronger IP system, efficient enforcement and better understanding of IP rights in a global and increasingly digital environment. This will be achieved by building and promoting sustainable networks, thereby supporting competitiveness, innovation and creativity in the EU. At the end of 2021, overall implementation was in line with plans at 27 %.

During 2021, demand for EU trade marks continued to show a strong upward trend, with demand for designs also growing. The Office received 11.8 % more trade mark applications than in 2020. This growth is more than three times the average historic growth rate for the pre-COVID period and comes after significant growth of more than 10 % in 2020.

As was the case in 2020, all aspects of the Office's activities were affected in 2021 by the COVID-19 pandemic and were monitored constantly. Under these exceptional circumstances, the Office continued to implement measures in line with the local health authority recommendations to safeguard staff safety and maintain a healthy work-life balance while ensuring business continuity. Following a prudent return to normality that was initiated from September 2020 onwards, 2021 saw a return to normal campus occupation combined with teleworking on a voluntary basis.

Following the severe impact of the COVID-19 pandemic on small and medium-sized enterprises (SMEs) in the EU, in January 2021, the EUIPO and the European Commission, in collaboration with the intellectual property offices of the Member States, launched the Ideas Powered for business SME Fund, a EUR 20 million grant scheme, providing financial support to SMEs under a contribution agreement with the European Commission. The aim of the fund is to raise awareness and improve access to IP during the difficult period created by the COVID-19 pandemic. The 2021 SME Fund reimbursed 50 % of the basic fee for trade mark and design applications at European, national and

⁽⁷⁾ While there is no legal requirement for the Commission or other EU institutions to report on sustainability, the European Court of Auditors' [Review No 07/2019: Reporting on sustainability - A stocktake of EU Institutions and Agencies \(Rapid case review\)](#) highlighted that the EUIPO and the European Investment Bank (EIB) are the only two bodies from all the EU institutions and 41 Agencies that publish reports on sustainability. The Court concluded that reporting on sustainability improves credibility and transparency, increases awareness of the organisation's internal processes and can improve management strategies and policies while helping identify risks and opportunities.

regional level, and 75 % of the costs for IP pre-diagnostic (IP Scan) services. Close to 13 000 EU SMEs (over 60 % more than the initial target) requested access to the fund generating some 30 000 requests for individual services. 75 % of the SMEs that applied for the fund were new to the trade mark and design protection system. Given the success of the first SME Fund initiative in 2021, the Office and the European Commission will continue to support EU SMEs in developing their IP strategies and protecting their IP rights with a multiannual SME Fund under the EU Single Market Programme for the period 2022-2024 ⁽⁸⁾.

The EUIPO also continues to co-finance and act as the implementing agency for the EU's cooperation projects initiated by the European Commission in third countries. The EUIPO's engagement in these projects has expanded, in line with the new trade policy of the European Commission contributing to greater IPR transparency and efficiency outside the Single Market and strengthening IPR protection and enforcement systems.

Through these initiatives implemented under contribution agreements with the European Commission, the Office continues to unlock funds by mobilising its accumulated financial reserve in support of EU policies in the field of IP.

The sharp increase in volumes (in particular in trade mark filings) and the simultaneous, fast-paced implementation of the Strategic Plan 2025, the EU-funded projects, SME-related activities and other new ad hoc initiatives, led to a need to increase the available appropriations through an amendment of the 2021 budget.

Moreover, considering the 46 % growth in application volume in the last five years and in spite the Office's efficiency gains resulting from technological innovation, the constant streamlining of processes, staff reduction in horizontal activities, reallocation, re-skilling and upskilling of staff and the engagement of new profiles, new resources are required to deliver on the Office's mission. For this reason, the Office proposed to increase its establishment plan by an extra 247 posts to cover the next few years within the context of its 2022 Budget. The proposal was approved by the Budget Committee unanimously, providing a firm basis on which to continue facing the challenges ahead.

⁽⁸⁾ The total budget proposed for the action is EUR 30 million, 93.3 % of this amount (EUR 28 million) will be financed from the financial reserves of the Office, while the remaining 6.7 % (EUR 2 million) will be financed by the European Commission.

2. FINANCIAL STATEMENTS

2.1. BALANCE SHEET

31-Dec-21
(EUR)

A S S E T S			
	2021	2020	Note
NON CURRENT ASSETS	126 930 864.80	124 544 558.22	
INTANGIBLE ASSETS	41 128 832.09	39 066 157.98	(1)
- Intangible assets	29 882 258.26	33 978 055.23	
- Intangible assets under construction	11 246 573.83	5 088 102.75	
TANGIBLE ASSETS	85 802 032.71	85 478 400.24	(1)
- Land	7 700 000.00	7 700 000.00	
- Buildings	63 990 421.30	68 036 012.27	
- Plant, equipment, other fixtures and fittings	3 268 728.57	2 836 279.70	
- Computer hardware	8 019 026.50	4 668 389.98	
- Furniture and vehicles	2 727 180.20	2 237 718.29	
- Tangible fixed assets under construction	96 676.14		
LONG TERM RECEIVABLES			(2)
CURRENT ASSETS	585 883 692.10	550 200 139.56	
SHORT-TERM PRE-FINANCING	683 406.23	414 662.35	(3)
SHORT-TERM RECEIVABLES	6 566 852.20	5 552 936.76	
- Current receivables	18 991.40	171 218.22	(4)
- Sundry accounts receivables	430 958.44	132 699.53	(4)
- Accrued income or deferred expenditure	6 116 902.36	5 249 019.01	(4)
CASH AND BANKS	578 633 433.67	544 232 540.45	(5)
TOTAL ASSETS	712 814 556.90	674 744 697.78	

L I A B I L I T I E S			
	2021	2020	Note
CAPITAL	606 157 090.47	578 617 808.16	(6)
RESERVE FUND	260 656 176.59	244 120 242.71	
EQUITY	317 961 631.57	308 750 884.54	
FINANCIAL PERFORMANCE FOR THE YEAR (PROFIT+/LOSS-)	27 539 282.31	25 746 680.91	
NON CURRENT LIABILITIES	15 629 989.14	12 407 111.89	
PROVISIONS FOR RISKS AND LIABILITIES	408 000.00	480 000.00	(7)
OTHER LONG-TERM LIABILITIES	15 221 989.14	11 927 111.89	(8)
CURRENT LIABILITIES	91 027 477.29	83 719 777.73	
PROVISIONS	1 993 000.00	2 148 000.00	
- Provision for risks and liabilities	698 000.00	975 000.00	(7)
- Provision for procedural expenditure	1 295 000.00	1 173 000.00	(9)
ACCOUNTS PAYABLE	89 034 477.29	81 571 777.73	
- Advanced payments by customers	35 199 243.51	33 273 648.29	(10)
- Current payables	1 736 795.09	1 589 288.89	(11)
- Sundry payables	20 152.03	4 207.68	(11)
- Other short-term liabilities	2 498 049.47	656 153.49	(11)
- Accrued expenditure or deferred income	49 580 237.19	46 048 479.38	(11)
TOTAL LIABILITIES	712 814 556.90	674 744 697.78	

2.2. STATEMENT OF FINANCIAL PERFORMANCE

31-Dec-21

(EUR)

	2021	2020	Note
OWN REVENUE			
Revenue from EUTM fees	271 533 747.83	246 344 214.50	(12)
Revenue from RCD fees	31 952 156.46	31 522 141.75	(12)
Other operating revenue	1 449 151.64	1 170 229.22	(12)
OPERATING REVENUE	304 935 055.93	279 036 585.47	
Staff expenditure	117 435 615.38	117 007 669.43	(13)
Operating expenditure	55 542 672.75	47 046 126.32	(14)
Communication, promotion and integration	1 622 666.72	700 857.32	(15)
Trade mark and design related expenditure	14 750 067.47	15 777 579.55	(16)
EU Cooperation	28 307 019.03	29 655 462.98	(17)
Observatory	5 345 276.57	3 842 076.86	(18)
Fixed assets expenses	20 097 135.04	19 505 380.49	(19)
Provision for procedural expenditure			(20)
Provision for risks and liabilities	165 000.00		(20)
Other current operating expenditure	154 521.87	172 507.46	(21)
Contribution to EU policies	16 327 341.40	3 651 929.80	(22)
OPERATING EXPENDITURE	259 747 316.23	237 359 590.21	
OPERATING REVENUE LESS OPERATING EXPENDITURE	45 187 739.70	41 676 995.26	
External assigned revenue for EU-funded projects and SME Fund	5 506 208.28	3 934 676.08	(23)
Expenditure for EU-funded projects on assigned revenue and SME Fund	5 506 208.28	3 934 676.08	(23)
RESULT RELATED TO EXTERNAL ASSIGNED REVENUE	0.00	0.00	
Financial revenue	5 964.88	6 186.42	(24)
Financial expenditure	2 496 612.85	2 058 581.14	(25)
FINANCIAL RESULT	- 2 490 647.97	- 2 052 394.72	
RESULT FROM ORDINARY ACTIVITIES	42 697 091.73	39 624 600.54	
Offsetting to Member States	15 157 809.42	13 877 919.63	(26)
RESULT AFTER OFFSETTING TO MEMBER STATES	27 539 282.31	25 746 680.91	
Extraordinary revenue			
Extraordinary expenditure			
EXTRAORDINARY RESULT			
FINANCIAL PERFORMANCE FOR THE YEAR	27 539 282.31	25 746 680.91	

2.3. CASH-FLOW TABLE

31-Dec-21
(EUR)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES AND OFFSETTING		
RESULT FROM OPERATING ACTIVITIES	45 187 739.70	41 676 995.26
Depreciation intangible fixed assets	11 842 843.68	10 884 327.00
Depreciation tangible fixed assets	8 227 620.82	8 077 614.51
Increase/(decrease) in Provisions for risks and liabilities	- 349 000.00	- 58 000.00
Increase/(decrease) in Provisions for procedural expenditure	122 000.00	- 75 000.00
Increase/(decrease) in Welfare benefits		
Increase/(decrease) in Value reduction for doubtful debts		
(Increase)/decrease in Long term Pre-financing		
(Increase)/decrease in Short Term Pre-financing	- 268 743.88	- 201 878.16
(Increase)/decrease in Long term Receivables		
(Increase)/decrease in Short term Receivables	- 1 013 915.44	- 160 795.79
Increase/(decrease) in Other Long term liabilities	3 294 877.25	1 323 581.63
Increase/(decrease) in Accounts payable	7 462 699.56	4 295 600.59
(Gains)/losses on sale of property, plant and equipment		
OFFSETTING TO MEMBER STATES	- 15 157 809.42	- 13 877 919.63
NET CASH FLOW A	59 348 312.27	51 884 525.41
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible and intangible fixed assets (-)	- 22 483 441.62	- 19 513 665.55
Income/loss from tangible and intangible fixed assets (+)	26 670.54	543 438.98
Purchase of investments		
Income of investments		
Extraordinary items		
NET CASH FLOW B	- 22 456 771.08	- 18 970 226.57
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase/(decrease) other financial liabilities		
Extraordinary items		
Financial expenditure	- 2 496 612.85	- 2 058 581.14
Revenue of funds in banks (financial revenue)	5 964.88	6 186.42
NET CASH FLOW C	- 2 490 647.97	- 2 052 394.72
VARIATION OF CASH AND BANKS A + B + C	34 400 893.22	30 861 904.12
Cash and banks at the beginning of the period	544 232 540.45	513 370 636.33
Cash and banks at the end of the period	578 633 433.67	544 232 540.45

2.4. STATEMENT OF CHANGES IN CAPITAL

31-Dec-21
(EUR)

Capital	Reserves		Equity	Financial performance for the year	Capital (total)
	Fair value reserve	Reserve fund			
Balance as of 31 December 2020		244 120 242.71	308 750 884.54	25 746 680.91	578 617 808.16
Changes in accounting policies or reclassifications					
Balance as of 31 December 2020 (if restated)					
Other revaluations					
Allocation of the financial performance 2020			25 746 680.91	- 25 746 680.91	
Reserve fund		16 535 933.88	- 16 535 933.88		
Financial performance for the year				27 539 282.31	27 539 282.31
Balance as of 31 December 2021		260 656 176.59	317 961 631.57	27 539 282.31	606 157 090.47

2.5. SUMMARY OF MAIN ACCOUNTING PRINCIPLES

2.5.1. Basis of presentation

a) True and fair view

The accounts have been prepared on the basis of the Office's accounting records and are presented in compliance with the requirements of the Office's Financial.

The financial year begins on 1 January and ends on 31 December.

The accounts are kept in euro. Amounts in other currencies are converted into euro at the monthly rates published in the European Commission's 'InforEuro'.

b) Grouping of accounts

For clarity, the accounts are presented in a summarised form. Where appropriate, an analysis is provided in the relevant note to the accounts.

c) Application of new and amended European Union Accounting Rules

On 17 December 2020 the Accounting Officer of the European Commission adopted the revised EAR 11 'Financial Instruments', which is effective for accounting periods beginning on or after 1 January 2021. The revised EAR 11 has been updated in line with the new IPSAS 41 'Financial Instruments' and establishes the principles for the financial reporting of the financial assets and financial liabilities held by the EU entities. There is no impact on the EUIPO accounts for 2021.

2.5.2. Accounting policies

a) The going-concern principle

The Office considers that it will continue its activity indefinitely. Consequently, in applying accounting principles, the aim is not to establish the net worth in the event of total or partial transfer nor the realisable value in the event of liquidation.

b) The principle of prudence

The Office has only entered into the accounts those profits realised before the end of the financial year. In contrast, foreseeable risks and contingent liabilities arising in the financial year, or in any other year, are entered into the accounts as soon as they arise; with regard to such items, a distinction is made between those that can be rectified or are contingent and those that have arisen or cannot be rectified.

Consequently, at the end of the financial year, all foreseeable risks and liabilities are entered into the accounts, irrespective of when they arose. Where such risks and losses arise between the end of the financial year and the date on which the annual accounts are drawn up, without prejudice to their

inclusion in the balance sheet and statement of financial performance, every endeavour is made to include the information in the notes on the accounts.

c) Principle of consistency

Having adopted one of the possible options available as a criterion for the application of accounting principles, the Office continues to apply this criterion to asset items with the same characteristics, insofar as they satisfy the grounds for applying this criterion.

The criterion may be deviated from where necessary, but this must be indicated in the notes on the accounts, as must the quantitative and qualitative impact of the deviation on the annual accounts.

d) Principle of comparability of information

The principle of comparability of information means that, for each item, the financial statements will also show the amount of the corresponding item for the previous year.

Where the presentation or the classification of one of the components of the financial statements is changed, the corresponding amount for the previous year is made comparable and reclassified.

Where it is impossible to reclassify items, this is explained in the explanatory notes.

e) The principle of materiality

The principle of materiality means that all operations which are of significance for the information sought must be taken into account in the financial statements. Materiality will be assessed in particular by reference to the nature of the transaction or the amount.

f) The no-netting principle

The Office does not offset assets against liabilities in the balance sheet nor expenditure against income in the statement of financial performance, as established in the annual accounts models. Each item entered under the asset and liability headings is valued separately.

g) Principle of reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements will be presented by reference to their economic nature.

h) The entry principle: accrual-based accounting

The Office enters transactions into the accounts as and when the ensuing rights or obligations arise.

The accrual-based accounting principle means that transactions and events will be entered in the accounts when they occur and not when amounts are actually paid or recovered. They will be booked to the financial year to which they relate.

i) The acquisition-cost principle

In general, all goods and rights are entered into the accounts at their acquisition price or at their cost price.

However, the value of non-financial fixed assets and installation expenses will be written down for depreciation. In addition, a write-down may be applied where the value of an asset decreases and an increase in the value of a liability may be covered by a provision.

j) Intangible fixed assets

Items acquired whose purchase price or production cost is EUR 420 or more, with a period of use greater than 1 year, and which are not consumables, are recorded in the assets accounts. They are controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity. An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible fixed assets consist of computer software, licences and trade marks registered in the name of the Office.

Intangible fixed assets are valued at their acquisition price converted into euro at the rate obtained from 'InforEuro' published by the European Commission and applied at the time of payment, less depreciation and impairment. The exception to this rule is assets acquired free of charge, which are valued at their market value.

If the software is developed internally, it is recorded at its directly attributable development costs, the threshold being EUR 420. However, in accordance with international accounting standards, this can only be done if these costs can be measured reliably.

Intangible fixed assets are subject to monthly depreciation based on their useful lives. The depreciation is calculated using the linear method and coefficients of depreciation of 10 % for trade marks and 25 % for software.

k) Tangible fixed assets

Items acquired whose purchase price or production cost is EUR 420 or more, with a period of use greater than 1 year, and which are not consumables, are recorded in the assets accounts. They are controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Tangible fixed assets are valued at cost, that is at purchase value, then converted into euro at the rate obtained from 'InforEuro' published by the European Commission and applied at the time of payment, less depreciation and impairment. Improvements that extend the useful lives of existing assets are capitalised. Differences in exchange rates, directly related to tangible fixed assets accruing before such assets are brought into use, are also capitalised.

The purchase costs of an item of tangible fixed assets are taken into account as from the moment the item is brought into use. Tangible fixed assets are subject to monthly depreciation based on their estimated useful lives. The depreciation is calculated using the linear method. The depreciation coefficients used are the following:

Buildings	4 %
Computer hardware	25 %

Plant, machinery and tools	12.5 %, 25 %
Furniture and vehicles	10 %, 12.5 %, 25 %

The depreciation rates are the coefficients used at the European Commission. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, where appropriate, only when it is probable that future economic benefits associated with the item will flow to the Office and the cost of the item can be measured reliably.

Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

When tangible fixed assets are removed, decommissioned or otherwise disposed of, the asset accounts and the depreciation accounts are adjusted accordingly.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, on a regular basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of financial performance.

l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and will be tested regularly for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount for an individual asset is the highest amount between either an asset's fair value less costs of selling or the value in use.

m) Financial instruments

Receivables

Receivables are carried at the original invoice amount. Receivables that extend beyond 1 year are considered long-term and short-term if they are to be settled in a period of 1 year or less.

Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, that is, a float. It may be divided into a number of payments over a period defined in the specific pre-financing agreement. The float or advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur any eligible expenditure, they have the obligation to return the pre-financed amount to the Office. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of eligible costs and amounts returned.

At the year end, outstanding pre-financing amounts are valued at the original amount(s) paid less amounts returned, eligible amounts cleared, estimated eligible amounts not yet cleared at the year end, and value reductions.

Interest on pre-financing is recognised as it is earned in accordance with the provisions of the relevant agreement.

Pre-financing that extends beyond 1 year is considered long-term and short-term if it is to be settled in a period of 1 year or less.

Liabilities

Short-term liabilities are defined as balances with a due date of 1 year or less and long-term liabilities with a due date of over 1 year.

Payables

Short- and long-term creditors are stated at the amount they are to be paid. Short-term creditors are defined as balances maintained for a period of 1 year or less and long-term creditors as over 1 year.

There are also amounts under this heading corresponding to pre-financing from third parties; these correspond to funds advanced by clients and managed by the Office.

n) Impairment of financial instruments

Financial instruments are subject to impairment whenever changes in circumstances or expected future events indicate that the carrying amount may not be met.

o) Transactions and balances denominated in foreign currencies

The open balances of debtors and creditors denominated in foreign currencies at the year end are converted into euro at the currency rate obtained from 'InforEuro', published by the European Commission on 31 December.

Purchases of tangible and intangible assets retain their value in euro at the rate that was applicable on the date when they were purchased.

Transactions in foreign currencies are recorded in the statement of financial performance at the exchange rates prevailing at the dates of the transactions. Realised gains, together with realised losses on exchange, are taken into account in the statement of financial performance of the corresponding year.

p) Deferrals and accruals

Accrued income or deferred expenditure is prepared and based on accounting information as at 31 December provided by the authorising officers responsible.

q) Revenue

Revenue from fees and other miscellaneous revenue are entered in the accounts once the corresponding service is considered rendered to the client and when it is considered to be certain, regardless of when the corresponding collection of payment is made.

In the case of the basic fee for the EU trade mark, revenue is recorded when the filing date has been assigned. The opposition fee is recorded as revenue when the decision on the opposition has been taken, that is, when the file is to be closed.

r) Expenditure

Expenditure is entered into the accounts once the service or good has been received by the Office, regardless of when the payment is made.

s) Provision

A provision is made if the following conditions are satisfied:

- (a) a current obligation exists as a result of a past event;
- (b) resources representing economic benefits will probably have to be used to extinguish the obligation;
- (c) the amount of the obligation can be reliably estimated.

2.6. NOTES TO THE FINANCIAL STATEMENTS

2.6.1. Notes to the balance sheet

1 – NON-CURRENT ASSETS

Intangible assets on 31 December are set out in the following table:

	(EUR)				
	Internally generated computer software	Other computer software	Other intangible assets	Intangible assets under development	Total
PURCHASE VALUE					
Balance on 1/1	91 678 479.69	15 161 853.08	23 475.00	5 088 102.75	111 951 910.52
Acquisitions	4 123 161.58	1 086 906.90		8 700 943.71	13 911 012.19
Disposal		- 7 756.80			- 7 756.80
Reclassifications	2 542 472.63			- 2 542 472.63	
Balance on 31/12	98 344 113.90	16 241 003.18	23 475.00	11 246 573.83	125 855 165.91
DEPRECIATION					
Balance on 1/1	59 181 432.82	13 680 844.72	23 475.00		72 885 752.54
Increase	11 006 576.22	836 267.46			11 842 843.68
Disposal		- 2 262.40			- 2 262.40
Reclassifications					
Balance on 31/12	70 188 009.04	14 514 849.78	23 475.00		84 726 333.82
NET VALUE					
Balance on 1/1	32 497 046.87	1 481 008.36		5 088 102.75	39 066 157.98
Balance on 31/12	28 156 104.86	1 726 153.40		11 246 573.83	41 128 832.09

Acquisitions of intangible assets amount to EUR 13 911 012.19 and include EUR 1 086 906.90 related to other computer software.

EUR 12 824 105.29 correspond to internally generated computer software and intangible assets under development and concern the Office's core-business applications (including back-office improvements for IP tool *ex parte* designs, Boards of Appeal IP tool and the modernisation of the EUIPO online platform), the EU IPR Enforcement portal, the Out-Of-Commerce Works Portal, the SME website, improvements to the Office's support systems for finance and human resources (enterprise resources planning and data governance) as well as investments in artificial intelligence, blockchain technology (IP Register in blockchain), cloud strategy, modernisation of the EUIPO application landscape ⁽⁹⁾ and IT security in line with the Strategic Plan 2025.

Research costs in relation to software developed internally amounted to EUR 81 374.30 and were included as an expense.

⁽⁹⁾ Software refactoring of EUIPO applications in a hybrid cloud native architecture, removing obsolete products that limit the evolution of EUIPO's cloud native roadmap, modernisation of communication channels, phasing out of database and core-business document repository

Tangible assets on 31 December were as follows:

(EUR)

	Land	Buildings	Plant and equipment	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Tangible assets under construction	Total
PURCHASE VALUE								
Balance on 1/1	7 700 000.00	110 782 618.89	8 366 578.08	20 970 363.86	6 827 880.03	7 707 065.98		162 354 506.84
Acquisitions		397 594.22	65 047.49	5 595 588.06	1 017 765.37	1 399 758.15	96 676.14	8 572 429.43
Disposal		- 1 250.10	- 32 852.72	- 4 914 707.17	- 52 978.02	- 9 899.55		- 5 011 687.56
Reclassifications								
Balance on 31/12	7 700 000.00	111 178 963.01	8 398 772.85	21 651 244.75	7 792 667.38	9 096 924.58	96 676.14	165 915 248.71
DEPRECIATION								
Balance on 1/1		42 746 606.62	7 808 120.64	16 301 973.88	4 590 161.74	5 429 243.72		76 876 106.60
Increase		4 443 185.19	265 229.91	2 227 437.12	524 641.74	767 126.86		8 227 620.82
Disposal		- 1 250.10	- 32 852.72	- 4 897 192.75	- 49 316.30	- 9 899.55		- 4 990 511.42
Reclassifications								
Balance on 31/12		47 188 541.71	8 040 497.83	13 632 218.25	5 065 487.18	6 186 471.03		80 113 216.00
NET VALUE								
Balance on 1/1	7 700 000.00	68 036 012.27	558 457.44	4 668 389.98	2 237 718.29	2 277 822.26		85 478 400.24
Balance on 31/12	7 700 000.00	63 990 421.30	358 275.02	8 019 026.50	2 727 180.20	2 910 453.55	96 676.14	85 802 032.71

Totally depreciated fixed assets

The purchase value of fixed assets in use, which were totally depreciated on 31 December, amounted to EUR 84 405 057.15 (N-1: EUR 82 754 379.26).

Capitalised exchange rate differences

No exchange rate differences have been capitalised during the year (N-1: EUR 0).

Land and buildings

The Office's campus includes an initial building based on a cooperation agreement with the Spanish authorities signed in 1997. The land was donated by the Spanish authorities for the symbolic price of one peseta. The contract of donation stipulates that, if the Office changes seat, the real value of the land will be returned to the Spanish authorities.

The development of the Office's campus as indicated hereafter has been subject to early information and prior approval by the Budget Committee in accordance with the provisions of the Office's Financial Regulation and is in line with the Office's building policy adopted by the Budget Committee.

Two new buildings were constructed between 2013 and 2017 for which an additional plot of land had to be acquired. To unify all three buildings into one single campus, the Office also purchased part of the Avenida de Europa road.

In 2019, the Office acquired a further plot of land in its surrounding area that can be integrated into the EUIPO campus in order to ensure its long-term future needs for expansion. This is in line with the building policy to house all staff on a single integrated campus.

Also in 2019, the Office's Budget Committee approved the acquisition of the part of the street Avenida de Europa that separates the campus and the newly acquired plot of land and in 2020, it approved the acquisition of a piece of municipal land and the construction work for the unification of the Office's campus, consisting of the integration, urbanisation and landscaping of the plot of land 'UT-1' and the street Avenida de Europa.

Today, the Office's campus comprises over 100 000 m² of buildings and 54 000 m² of land for almost 1 600 users. It also includes a 450-seat auditorium.

2 – LONG-TERM RECEIVABLES

There are no long-term receivables.

3 – SHORT-TERM PRE-FINANCING

The Office collaborates with Europol on the basis of two Service Level Agreements, each of which provides for pre-financing. In addition, the Office has provided prefinancing in relation to awareness grants. At the year-end closure, a total amount of EUR 1 510 404.80, corresponding to the pre-financing given in 2021 is pending to be cleared. Of this amount, EUR 826 998.57 constitute accrued charges.

The total amount of pre-financing paid but not cleared, accrued as well as open, on 31 December is as follows:

Non-cleared pre-financing	EUR	1 510 404.80
Accrued charges on pre-financing	EUR	- 826 998.57
Open pre-financing	EUR	683 406.23

4 – RECEIVABLES

Current receivables

The current receivables on 31 December were as follows:

	(EUR)	
	2021	2020
Recovery orders pending	18 991.40	171 218.22
TOTAL	<u>18 991.40</u>	<u>171 218.22</u>

The recovery orders pending collection on 31 December were all established in euro. The balance corresponded mainly to amounts trade mark and design related cases before the Court of Justice of the EU in which the Office was the successful party.

Sundry accounts receivables

Sundry account receivables are mainly related to staff transactions. On 31 December they included various advance payments that can be broken down as follows:

	(EUR)	
	2021	2020
Pay advances	11 737.80	14 691.37
Others	419 220.64	118 008.16
TOTAL	<u>430 958.44</u>	<u>132 699.53</u>

Pay advances: This heading includes advance payments on salaries in accordance with the Staff Regulations. This balance is to be settled in the salary payments during the following year.

Others: This heading includes recovery orders pending concerning staff-related transactions and amounts to be settled with EU institutions or other EU agencies related to staff mobility (mainly adjustments of salaries due to leave). It also includes deductions by instalments due to overpayments of salaries.

Accrued income or deferred expenditure

Accrued income and deferred expenditure on 31 December can be broken down as follows:

	(EUR)	
	2021	2020
Accrued income	4 161 072.62	3 616 479.24
Deferred expenditure	1 955 829.74	1 632 539.77
TOTAL	<u>6 116 902.36</u>	<u>5 249 019.01</u>

Accrued income: This heading corresponds principally to accrued income related to the fees from the Madrid Protocol and fees coming from the Hague Agreement (Designs) for an amount of EUR 4 080 064.

Deferred expenditure: This heading principally includes expenditure to be charged in the following financial year. The amount includes, amongst others, amounts corresponding to licences and subscriptions paid for in the current year but covering part of the following year.

5 – CASH AND BANKS

The Office's cash and bank balances on 31 December were as follows ⁽¹⁰⁾:

	(EUR)	
	2021	2020
Current & saving accounts	427 022 089.72	320 047 072.72
Call accounts (between 35 and 100 days)	134 591 203.56	209 574 015.46
EU-funded projects	17 020 140.39	14 611 334.13
Petty cash		118.14
TOTAL	<u>578 633 433.67</u>	<u>544 232 540.45</u>

As part of the total treasury, the Office is required to keep, among other elements, the following:

- EUR 260.7 million corresponding to the reserve fund (see point 6);
- EUR 35.2 million corresponding to advanced payment by customers (see point 10);
- EUR 17.0 million coming from the pre-financing received from the European Commission regarding the EU-funded projects (see hereafter);
- EUR 29.1 million reserved for future offsetting payments generated during 2020 and 2021 (see point 11 under accrued expenditure);
- EUR 72.4 million corresponding to 3 months of expenditure as operational treasury for payments.

The net amount of treasury available is therefore approximately EUR 164.2 million and is being mobilised since 2020 to support EU policies. This includes the Office's contribution to EU-Funded projects ⁽¹¹⁾, the Office's financing of the European School of Alicante and the Office's contribution to the SME Fund under the EU IP Action Plan. These initiatives are all performed under agreements concluded with the European Commission in accordance with Article 7 of the Office's Financial Regulation.

These contributions to Union Policies estimated at EUR 30.8 million according to the 2022 budget, will also reduce the level of the Office's treasury (see also point 4.3 of the Report on Budgetary and Financial Management).

General information about cash and banks

In compliance with the treasury guidelines updated in November 2019, the Office had its treasury distributed between three commercial banks that complied with the minimum rating A- from two of the three credit agencies (Fitch, Standard & Poor's and Moody's), three central banks, as well as three operational banks ⁽¹²⁾.

Funds for carrying out daily transactions are with operational banks that comply with a minimum rating of –BBB in accordance with the mentioned treasury guidelines.

⁽¹⁰⁾ The petty cash has been closed in 2021.

⁽¹¹⁾ In 2022, there will be eight EU-funded projects promoting robust IP systems, EU tools and IP practice in the following regions: Africa, the Caribbean, Latin America, South-East Asia, China, Georgia and Mercosur.

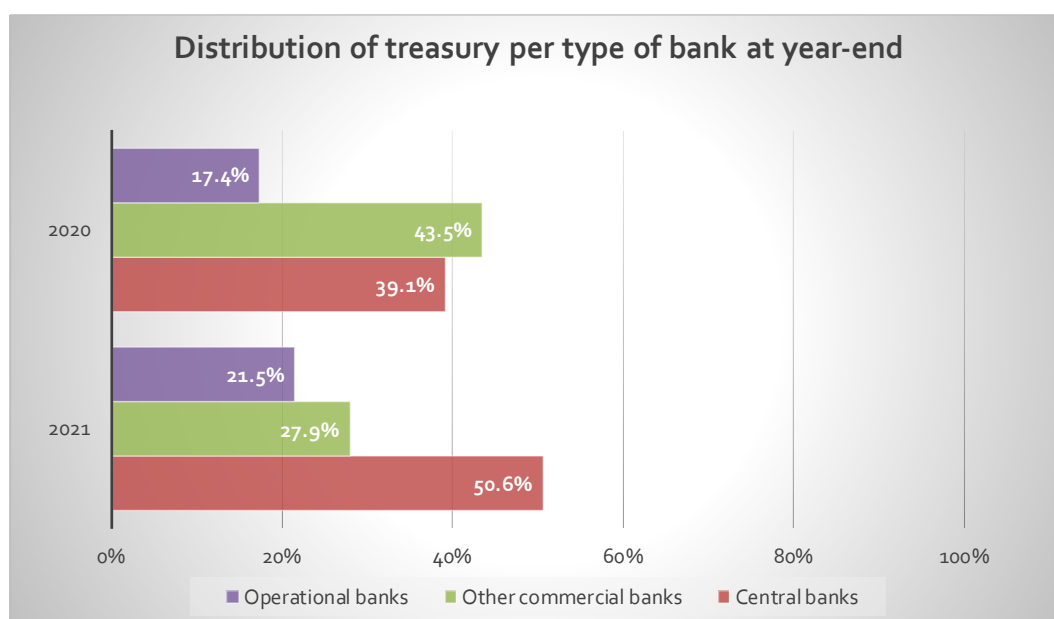
⁽¹²⁾ Banks used for handling incoming and outgoing payments.

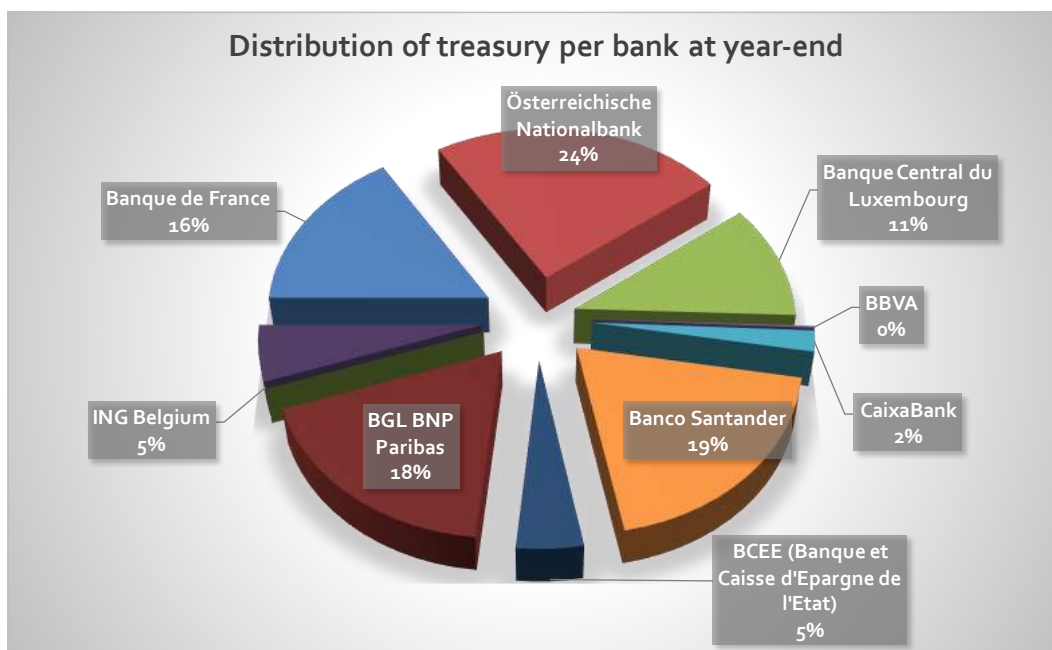
The objective of treasury management is to make optimal use of the cash balances that the Office holds by ensuring an appropriate balance between the required security levels and the return on the Office's treasury. The treasury management guidelines lay down that the Office's treasury should be managed according to the following three guiding principles:

- liquidity — funds should be available for implementing the budget and for achieving the Office's strategic goals;
- security — risks related to managing the Office's funds should be mitigated;
- yield — in accordance with the principle of sound financial management, yields should reflect the best market conditions available, while maintaining a high degree of security: security has priority over yield.

More detailed explanations regarding the yield are available under notes 24 and 25.

At the year end, all balances in banks were held in euro.





Current and call accounts

The balances in current and call accounts on 31 December were as follows:

	(EUR)	
	2021	2020
Central banks	292 785 482.27	213 017 684.59
Other commercial banks	161 642 440.83	236 656 413.38
Operational banks	107 185 370.18	79 946 990.21
TOTAL	<u>561 613 293.28</u>	<u>529 621 088.18</u>

EU-funded projects

The balances of the accounts of the EU-funded projects on 31 December were as follows:

	(EUR)	
	2021	2020
IP Key Latin America	1 818 440.54	2 525 272.61
IP Key Latin America II	1 743 662.46	
IP Key China II	2 179 620.66	2 270 392.38
IP Key South East Asia	2 287 861.31	2 690 496.48
ARISE + IPR	1 791 619.57	1 952 199.75
CARIFORUM	1 242 013.07	1 781 069.13
EUGIPP (Georgia)	640 792.53	387 283.59
IPR Action for Africa (AfrIPI)	4 171 675.49	3 004 620.19
AL-INVEST Verde PI (Mercosur)	1 144 454.76	
TOTAL	<u>17 020 140.39</u>	<u>14 611 334.13</u>

These amounts correspond to the funds received from the European Commission for the implementation of EU-funded projects, less those funds already used in their implementation. For more information about these projects, see also note 23.

These funds are considered as a liability towards the European Commission for EU-funded projects and are included under short-term liabilities if the approval of the implementation report by the European Commission is expected to take place within the next 12 months, or long-term liabilities if it will take place later.

Bank guarantees

The Office requires its contractors to provide performance bank guarantees when there are potential risks of non-fulfilment after the contract's period of implementation. The contractors must establish these guarantees in the name of the Office before they begin to provide services or supply goods to the Office. At 31 December, these guarantee deposits amount to EUR 2 515 089.03 and will only be executed, and consequently considered as revenue, if the contractor does not comply with the contract or does not provide the agreed services or goods. Therefore, these deposits do not affect the statement of financial performance.

6 – CAPITAL

According to Article 172(10) EUTMR, the Office is required to establish a reserve fund covering the equivalent of the sum of the appropriations of titles 1, 2 and 3 of the budget of the corresponding year in order to ensure the continuity of its operations and the execution of its tasks.

In compliance with this legal requirement and considering the existing level of the reserve fund at the end of the previous year, a total amount of EUR 16 535 933.88 had to be allocated to the reserve fund in 2021. The reserve fund amounts to EUR 260 656 176.59 at the year end.

7 – PROVISION FOR RISKS AND LIABILITIES

Non-current liabilities related to provisions for risks and liabilities on 31 December were as follows:

	(EUR)	
	2021	2020
Appeals to the Courts against Office decisions in the context of EUTMs and RCDs	408 000.00	480 000.00
TOTAL	<u>408 000.00</u>	<u>480 000.00</u>

Current liabilities related to provisions for risks and liabilities on 31 December were as follows:

	(EUR)	
	2021	2020
Appeals to the Courts against Office decisions in the context of EUTMs and RCDs	555 000.00	875 000.00
Lawsuits related to staff	143 000.00	100 000.00
TOTAL	<u>698 000.00</u>	<u>975 000.00</u>

This heading is reflected in non-current (long-term) and current (short-term) liabilities. If an item is expected to be settled within 12 months from the closure date of 31 December, it is presented under the heading 'Current liabilities' and if it is expected to be settled more than 12 months after this closure date, it appears under the heading 'Non-current liabilities'.

8 – OTHER LONG-TERM LIABILITIES

Other long-term liabilities relate to the EU-funded projects mentioned in note 23 and the SME Fund 2022-2024 for which the prefinancing was received in 2021. They reflect the total amount received from the European Commission, for which implementation reports have not yet been submitted or where the approval of those implementation reports is still pending and not expected to be received within the following 12 months.

9 – PROVISION FOR PROCEDURAL EXPENDITURE

The purpose of this provision is to cover statutory obligations vis-à-vis applicants for services to be rendered (i.e. although there is a legal obligation, this has not yet given rise to any commitment of expenditure), in particular regarding translation.

10 – ADVANCED PAYMENTS BY CUSTOMERS

The Office does not have an immediate claim on the amounts corresponding to the payment of fees that are paid into accounts held by the Office as they represent advance payments from the Office's clients. Any automatic registration of such payments as revenue of the Office is expressly prohibited

by virtue of the provisions of the Office's Financial Regulation. Revenue must be registered as such only after the service has been rendered.

The balance of client accounts on 31 December was as follows:

	(EUR)	
	2021	2020
Current accounts according to Decision EX-21-5 of the Executive Director of the Office	28 437 559.32	26 846 437.80
Client accounts relating to individual payments	1 476 429.19	1 346 260.49
Fees for registration via Madrid Protocol	1 700.00	5 550.00
Payments obtained for opposition fees on standby until starting-up of procedure (Article 6 of Commission Delegated Regulation (EU) 2018/625)	5 283 555.00	5 075 400.00
TOTAL	<u>35 199 243.51</u>	<u>33 273 648.29</u>

11 – PAYABLES

Current payables

On 31 December, this heading includes funds received from the European Commission for EU-funded projects and for the SME Fund 2021 for which the approval of the implementation report by the European Commission is expected to happen during 2022 (see also note 5), as well as guarantee deposits to be settled during that same year.

Sundry payables

On 31 December, this heading comprised the following:

	(EUR)	
	2021	2020
Contribution owed to the Spanish Government (withholding tax)	90.00	
Debts to institutions or agencies within the EU		63.62
Others	20 062.03	4 144.06
TOTAL	<u>20 152.03</u>	<u>4 207.68</u>

The heading 'Debts to institutions or agencies within the EU' includes the Office's staff-related debts to different EU agencies and to the European Commission. The heading 'Others' includes outstanding payments to staff members.

Other short-term liabilities

On 31 December, this heading includes internal assigned revenue related to recovery orders settled during the year and which has not been spent.

Accrued expenditure or deferred income

Accrued expenditure and deferred income on 31 December can be broken down as follows:

	(EUR)	
	2021	2020
Accrued expenditure related to offsetting to Member States	29 035 729.05	26 609 525.17
Other accrued expenditure	20 544 508.14	19 435 599.31
Deferred income		3 354.90
TOTAL	<u>49 580 237.19</u>	<u>46 048 479.38</u>

In accordance with Article 172(4) EUTMR, the Office will, under certain conditions set out in that Article, offset the costs incurred by the central industrial property offices of the Member States, by the Benelux Office for Intellectual Property and by any other relevant authority to be nominated by a Member State, as a result of the specific tasks which they carry out as functional parts of the EU trade mark system. The accrued expenditure related to offsetting to Member States corresponds to the offsetting amounts generated for the financial year 2020 (EUR 13.9 million) and 2021 (EUR 15.2 million) to be paid respectively in 2022 and 2023 (see also note 26).

Other accrued expenditure: This heading includes expenditure related to goods and services received by the Office but not yet invoiced by the corresponding contractor, that is a financial obligation towards third parties. The counter-entry is expenditure. This covers mainly expenses related to translations, consultancy, meetings and cooperation with Member States, as well as to IT expenditure and staff members' annual leave not taken by the year end as well as accrued charges regarding EU-funded projects.

Deferred income: In 2020, this heading refers to recovery orders issued that were expected to be waived during 2021.

2.6.2. Notes to the statement of financial performance

12 – OWN REVENUE

Revenue from EU trade marks fees

The revenue from EU trade mark (EUTM) fees as at 31 December is detailed below:

	2021			2020		
	Files	(EUR)	%	Files	(EUR)	%
Basic fees	193 722.00	164 251 807.00	60.49%	170 865.00	145 104 836.00	58.90%
Fees for additional classes	285 918.00	31 415 171.83	11.57%	255 611.00	28 099 187.00	11.41%
Opposition fees	12 689.50	4 061 030.00	1.50%	12 241.00	3 918 605.00	1.59%
Renewal fees	61 219.00	63 923 457.00	23.54%	59 167.00	61 750 150.00	25.07%
Appeal fees	2 082.00	1 508 000.00	0.56%	2 248.00	1 625 440.00	0.66%
Cancellation fees	2 008.00	1 264 410.00	0.47%	2 022.00	1 272 600.00	0.52%
Inspection fees	2 396.00	109 899.00	0.04%	3 010.00	156 663.00	0.06%
Recordal fees	2 467.00	493 400.00	0.18%	2 913.00	582 600.00	0.24%
International applications fees	11 799.00	3 539 700.00	1.30%	9 775.00	2 932 200.00	1.19%
Search fees	353.00	21 240.00	0.01%	449.00	32 328.00	0.01%
Miscellaneous fees		945 633.00	0.35%		869 605.50	0.35%
TOTAL		<u>271 533 747.83</u>	100.00%		<u>246 344 214.50</u>	100.00%

Revenue is entered in the accounts when the service is rendered.

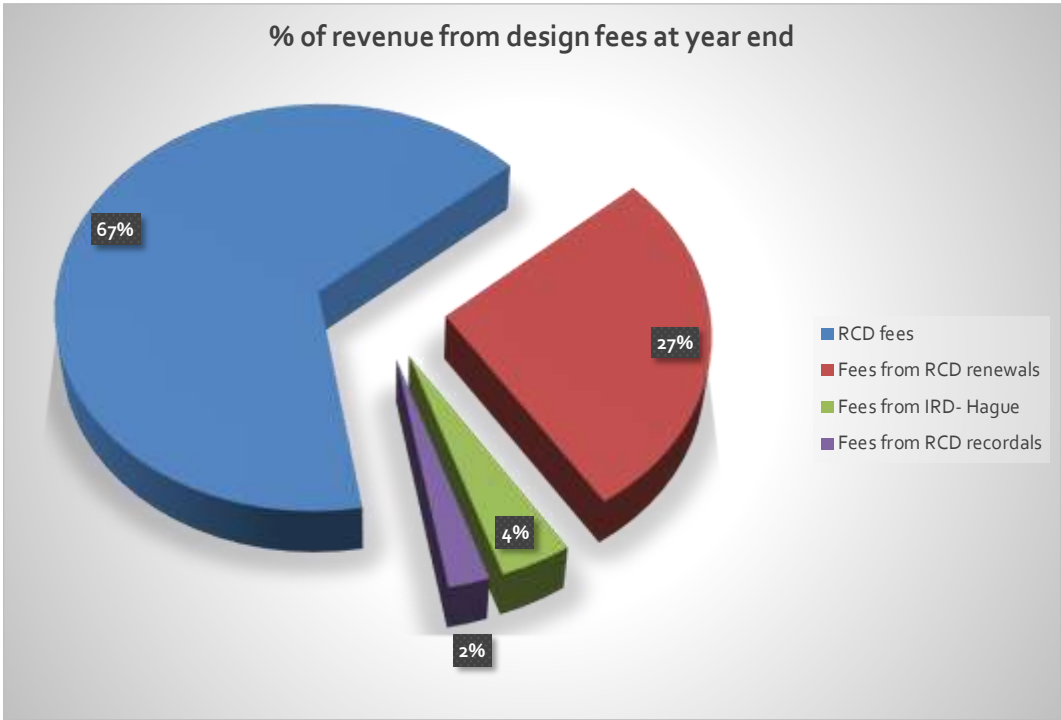
The heading 'Basic fees' also includes EUR 26 551 357 corresponding to revenue from WIPO in the framework of the Madrid Protocol. The total revenue coming from WIPO represents around 9.8 % of the total fee revenue.

The heading 'International applications fees' corresponds to the filing of an international application based on an EU trade mark application or registration that the Office forwards to WIPO.

Revenue from registered Community design fees

The revenue from registered Community design (RCD) fees as at 31 December is shown in the table below:

	2021			2020		
	Files	(EUR)	%	Files	(EUR)	%
RCD fees	99 219.00	21 226 146.50	66.43%	98 117.00	21 073 050.75	66.85%
Fees from RCD renewals	80 778.00	8 693 386.96	27.21%	76 701.00	8 218 860.00	26.07%
Fees from IRD- Hague	27 166.00	1 293 223.00	4.05%	29 459.00	1 462 231.00	4.64%
Fees from RCD recordals	3 697.00	739 400.00	2.31%	3 843.00	768 000.00	2.44%
TOTAL		<u>31 952 156.46</u>	100.00%		<u>31 522 141.75</u>	100.00%



Following the expiry of the 'transition period' on 31 December 2020 of the withdrawal of the United Kingdom from the EU, the Office implemented the measures announced. The trade mark and design filings from UK companies have shown a reduction as compared to previous years which was more than compensated by the overall evolution of the filing numbers from other countries.

Other operating revenue

This heading comprises all revenue not included in revenue from fees:

	(EUR)	
	2021	2020
Positive adjustment of provisions (notes 7 and 8)	392 000.00	133 000.00
Fee reimbursements not carried out due to the impossibility of contacting the users		4 310.77
Positive exchange rate difference	77 394.52	76 358.59
Other revenue	979 757.12	956 559.86
TOTAL	<u>1 449 151.64</u>	<u>1 170 229.22</u>

Other revenue includes mainly internal assigned revenue generated during the previous year that was carried over to the current year and finally cancelled (see also point 4 of chapter 4.4), income related to tuition fees for an EUTMD Education Programme course, insurance indemnity and recovery of costs from Office users, mainly related to trade mark and design litigation.

13 – STAFF EXPENDITURE

Staff expenditure on 31 December can be detailed as follows:

	2021		2020	
	(EUR)	%	(EUR)	%
Basic salaries	68 035 883.88	57.93%	65 482 965.56	55.96%
Pension rights for officials and temporary staff	15 855 027.43	13.50%	14 448 239.40	12.35%
Expatriation and foreign residence allowances	8 214 448.17	6.99%	7 707 014.71	6.59%
Family allowances	9 580 175.00	8.16%	9 147 654.62	7.82%
Sickness insurance	2 691 493.96	2.29%	2 501 221.51	2.14%
Annual travel costs to place of origin	1 744 920.93	1.49%	1 749 041.13	1.49%
Contract agents	8 277 790.14	7.05%	6 883 383.66	5.88%
National experts	4 378 713.58	3.73%	4 622 580.00	3.95%
Contribution to the European School			7 744 393.00	6.62%
Weightings	- 3 804 886.45	-3.24%	- 5 365 271.17	-4.59%
Others	2 462 048.74	2.10%	2 086 447.01	1.78%
TOTAL	<u>117 435 615.38</u>	<u>100.00%</u>	<u>117 007 669.43</u>	<u>100.00%</u>

Salary adjustments are established following Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council of 22 October 2013 amending the mechanism for pay update, known as 'the method', by allowing for an automatic update of all salaries, pensions and allowances. As the Office is self-financed, it transfers the employer's contribution to the funding of its staff pensions to the European Commission.

The Office's financing of the European School of Alicante, under a renewed agreement concluded in 2020 in accordance with Article 7 of the Office's Financial Regulation, is treated since 2021 as 'separate budget items', within the meaning of Article 10(4) of the Office's Financial Regulation, and therefore funded through the Office's financial reserves. This allows for productively mobilising the financial reserves. It is therefore reported under a different category together with the other contributions to EU policies funded through the financial reserves (see point 22).

14 – OPERATING EXPENDITURE

Operating expenditure on 31 December is distributed in the following manner:

	2021		2020	
	(EUR)	%	(EUR)	%
IT maintenance, service staff, licences, analysis and programming	23 301 985.85	41.95%	19 612 355.63	41.69%
Facilities management expenditure (cleaning, maintenance, supplies, security, etc.)	7 544 719.42	13.58%	6 988 458.33	14.85%
Meetings and conferences	3 198 481.38	5.76%	1 385 948.14	2.95%
Consultancy (non IT)	3 757 276.28	6.76%	2 405 298.90	5.11%
Administrative translations / Interpretation	4 138 643.95	7.45%	4 121 740.23	8.76%
Building project related expenditure	2 267 692.30	4.08%	2 056 839.94	4.37%
Furniture, technical and electronic office equipment	1 748 244.60	3.15%	1 807 674.05	3.84%
Telecom and postal charges	1 285 776.97	2.31%	1 148 114.60	2.44%
Missions	342 700.15	0.62%	197 407.07	0.42%
Trainees	1 376 840.43	2.48%	1 234 207.46	2.62%
Agency Staff	2 540 379.12	4.57%	1 898 183.77	4.03%
Training	1 095 082.71	1.97%	863 146.13	1.83%
Rent	268 679.84	0.48%	370 637.50	0.79%
Stationery and office supplies	61 634.36	0.11%	126 731.88	0.27%
Recruitment expenses	175 032.38	0.32%	75 607.61	0.16%
Others	2 439 503.01	4.39%	2 753 775.08	5.85%
TOTAL	<u>55 542 672.75</u>	<u>100.00%</u>	<u>47 046 126.32</u>	<u>100.00%</u>

15 – COMMUNICATION, PROMOTION AND INTEGRATION

Expenditure at 31 December is as follows:

	2021		2020	
	(EUR)	%	(EUR)	%
Communication, promotion and events	1 380 869.23	85.10%	500 764.89	71.45%
Expenditure on promotion of the Office, the EUTM and the RCD	35 161.40	2.17%	57 006.11	8.13%
Expenditure on cooperation activities with third countries	206 636.09	12.73%	143 086.32	20.42%
TOTAL	<u>1 622 666.72</u>	<u>100.00%</u>	<u>700 857.32</u>	<u>100.00%</u>

16 – TRADE MARK AND DESIGN-RELATED EXPENDITURE

Expenditure related to the EU trade mark (EUTM) and registered Community design (RCD) registration procedures can be detailed as follows on 31 December:

	2021		2020	
	(EUR)	%	(EUR)	%
Translations of EUTM and RCD applications	12 638 667.52	85.69%	13 709 603.60	86.89%
Search reports	32 960.00	0.22%	39 008.00	0.25%
Expenditure on external services related to EUTM & RCD	1 715 530.88	11.63%	1 597 978.25	10.13%
Expenditure on litigation relating to EUTM & RCD	362 909.07	2.46%	430 989.70	2.73%
TOTAL	<u>14 750 067.47</u>	<u>100.00%</u>	<u>15 777 579.55</u>	<u>100.00%</u>

17 – EU-COOPERATION

Expenditure relating to European Cooperation projects defined by the Management Board pursuant to Article 152 EUTMR with a view to promote convergence of practices and tools in the fields of trade marks and designs, in cooperation with the central industrial property offices in the Member States, including the Benelux Office for Intellectual Property at 31 December is as follows:

	2021	2020
	(EUR)	(EUR)
EU Cooperation	28 307 019.03	29 655 462.98
TOTAL	<u>28 307 019.03</u>	<u>29 655 462.98</u>

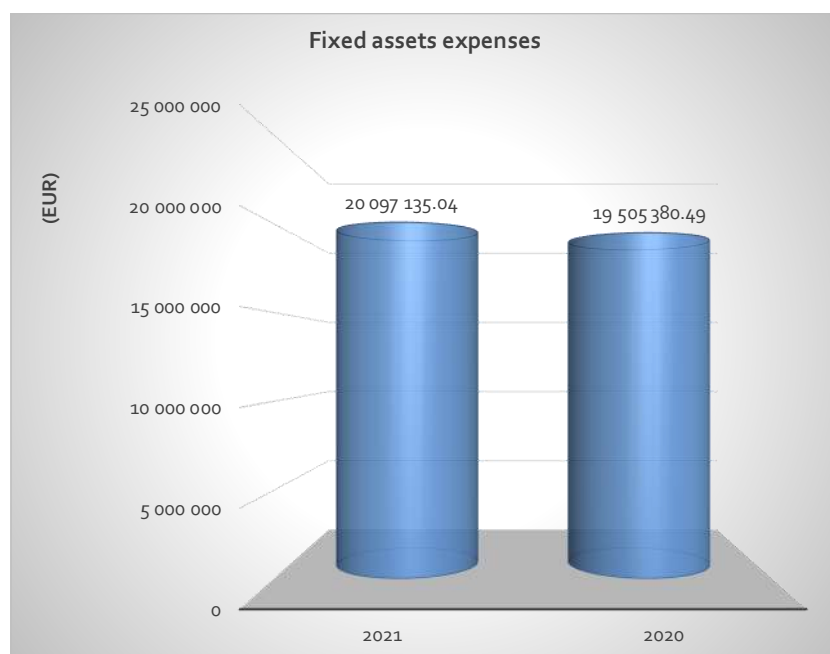
18 – OBSERVATORY

Expenditure relating to tasks referred to in the Regulation (EU) No 386/2012 at 31 December is as follows:

	2021		2020	
	(EUR)	%	(EUR)	%
Public awareness	1 363 299.77	9.24%	1 353 630.59	8.58%
Enforcement	1 875 580.79	12.72%	1 389 770.61	8.81%
Other expenditure for the work of the Observatory	2 106 396.01	14.28%	1 098 675.66	6.96%
TOTAL	<u>5 345 276.57</u>	<u>36.24%</u>	<u>3 842 076.86</u>	<u>24.35%</u>

19 – FIXED ASSETS EXPENSES

Under the heading 'Fixed assets expenses', as at 31 December, the amount corresponds to depreciation (see tables to note 1).



20 – PROVISION FOR RISKS, LIABILITIES AND PROCEDURAL EXPENDITURE

This heading includes increases in the provision in comparison to the previous year's figures (see notes 7 and 9).

21 – OTHER CURRENT OPERATING EXPENDITURE

This heading includes exchange rate expenditure.

22 – CONTRIBUTION TO EU POLICIES

This heading corresponds to the Office's expenditure in relation to its contribution to EU policies as implementing agency of EU programmes under contribution agreements with the European Commission.

The situation as at 31 December can be detailed as follows:

	(EUR)	
	2021	2020
Co-financing of EU Funded Projects	4 005 939.61	3 651 929.80
Co-Financing of the European School of Alicante	8 531 029.00	
Contribution to EU policies - SME Fund	3 790 372.79	
TOTAL	<u>16 327 341.40</u>	<u>3 651 929.80</u>

Contribution to EU Policies is reported in accordance with Article 10(4) of the Office's Financial Regulation and in line with agreements concluded pursuant to Article 7 of this Regulation. It includes in 2021 the Office's co-financing of EU Funded projects, the European School of Alicante and the SME Fund.

With respect to the EU-Funded projects, the Office is in the process of gradually increasing its contribution from 15 % to 30 % in agreement with the European Commission.

The Office's contribution to the European School of Alicante is implemented under a tripartite agreement signed in 2020 between the EUIPO, the European Commission and the Secretary General concluded in accordance with Article 7 of the Office's Financial Regulation and amounts to EUR 8.5 million in 2021.

Finally, the SME Fund is based on a contribution agreement between the Office and the European Commission. It was launched in collaboration with the Member States intellectual property offices (MS IPOs) in January 2021. It provides financial support to SMEs with the aim of raising awareness and improving access to IP during the very difficult period caused by the COVID-19 pandemic. The SME Fund 2021 reimburses 50 % of the basic fee for trade mark or design applications at European, national and regional level, and provides a 75 % reimbursement of the costs of IP Scan - IP pre-diagnostic (IPPPDA) services.

23 – RESULT RELATED TO EXTERNAL ASSIGNED REVENUE

EU-funded projects

The Office takes part in technical cooperation projects with third countries in the area of industrial property on behalf of the European Commission. These projects are funded by the European Commission. The Office performs all budget implementation tasks for the following projects:

- IP Key Latin America: The agreement with the European Commission for the implementation of the Action 'Intellectual property: A key to sustainable competitiveness (IP KEY)' in Latin America was signed on 11/05/2017. The implementation period of the agreement started on 01/09/2017 and it finished in August 2021. The total value of the action is EUR 6 000 000. A

36 months follow-up project (IP Key Latin America, phase II) is planned to start in February 2022.

- IP Key China II: The agreement with the European Commission for the implementation of the Action 'Intellectual property: A key to sustainable competitiveness (IP KEY)' in the People's Republic of China was signed on 11/05/2017. The implementation period of the agreement started on 01/09/2017 and, after an addendum, is planned to last for 60 months. The total value of the action is EUR 7 000 000. A follow-up project (IP Key China III) is planned to start in September 2022.
- IP Key South East Asia: The agreement with the European Commission for the implementation of the Action 'Intellectual property: A key to sustainable competitiveness (IP KEY)' in South East Asia was signed on 11/05/2017. The implementation period of the agreement started on 01/09/2017 and, after an addendum, is planned to last for 55 months. The total value of the action is EUR 7 000 000. A follow-up project (IP Key South East Asia II) is planned to start in April 2022.
- ARISE + IPR: This action is the Intellectual Property Rights component of the Technical Cooperation Facility 'ASEAN Regional Integration Support by the EU (ARISE)' that is implemented through a financing agreement between the Commission and the ASEAN Secretariat. The financing agreement for the implementation of the overall programme was signed in the last quarter of 2017. The agreement for the implementation of the IPR component was signed in the first quarter of 2018. The action will last for 60 months and has an overall value of EUR 5 500 000.
- CARIFORUM Intellectual Property and Innovation (CarIPI): The agreement with the European Commission for the implementation of the action was signed on 07/10/2019. The implementation period started on 01/11/2019 and, after an addendum, it has a duration of 54 months. The total project value is EUR 4 000 000.
- EU Support to IPR in Georgia (EUGIPP): The action is planned under the financing decision for 'Support for the Implementation of the EU-Georgia Association Agreement' which was signed in May 2019. The signature of the Contribution Agreement between the EUIPO and the EU Delegation to Georgia took place in December 2019 for an overall amount, after addendum, of EUR 1 420 000 and a total duration of 42 months.
- Intellectual Property Rights (IPR) Action for Africa (AfrIPI): The action is part of the Commission's Decision on the financing of the Annual Action Programme 2019, part 1, for the Pan-African Programme of 01/04/2019. The signature of the Contribution Agreement between the EUIPO and the European Commission took place in December 2019 and it was amended in December 2020 for a current overall amount of EUR 17 140 000 and a total duration of 60 months.
- AL-INVEST Verde PI (MERCOSUR): The contribution agreement with the European Commission for the implementation of the Action in Latin America 'Enhanced use and effectiveness of IPRs, particularly in the Mercosur region' was signed in October 2021. The implementation period of the agreement started on 01/12/2021 and it will last for 36 months. The total value of the action is EUR 2 859 000.

Funds received from the European Commission are included in the Office's budget and are considered external assigned revenue in compliance with Article 20 of the Office's Financial Regulation. Assigned revenue for the year amounts to of EUR 5 506 208.28 and is handled following the application of the accounting rules related to the treatment of assigned revenue.

EU-funded project expenditure corresponding to assigned revenue for an amount of EUR 5 468 101.71 has been reported to the European Commission during the year. This amount is composed of EUR 4 401 356.42 which have been paid directly against the pre-financing received from the European Commission ⁽¹³⁾ and EUR 1 066 745.29 which have come from the Office as a consequence of requirements related to the consolidation with the EU accounts.

Expenditure related to the SME Fund amounts to EUR 38 106.57.

Internal assigned revenue

During the year internal assigned revenue for an amount of EUR 2 498 049.47 has been recorded. However, this amount is not recorded as revenue immediately but is shown under other short-term liabilities.

24 – FINANCIAL REVENUE

This heading includes interest from bank accounts. The details of this heading at 31 December were as follows:

	<i>(EUR)</i>	
	<i>2021</i>	<i>2020</i>
Current account interest	5 964.88	6 186.42
Short term deposit interest		
TOTAL	<u>5 964.88</u>	<u>6 186.42</u>

25 – FINANCIAL EXPENDITURE

Financial expenditure on 31 December is distributed in the following manner:

	<i>(EUR)</i>	
	<i>2021</i>	<i>2020</i>
Bank and financial charges	236 161.38	209 821.69
Negative interests	1 656 241.14	1 308 059.45
Expenses related to fee payments with cards and online payment methods	604 210.33	540 700.00
TOTAL	<u>2 496 612.85</u>	<u>2 058 581.14</u>

The negative interests are the consequence of the current situation of the financial markets. Central banks apply negative interest rates according to the ECB deposit facility rate of – 0.5 %. Even commercial and operational banks apply negative interest for amounts exceeding a certain

⁽¹³⁾ A detailed breakdown of this amount by project is shown in the 'Closure of the budget – Expenses for EU-funded projects' annex.

threshold. The Office, as other Institutions or agencies, has to pay negative interests for ensuring the security of its treasury.

26 – OFFSETTING TO MEMBER STATES

The amount for the offsetting of the costs incurred by the Member States is determined on the basis of the budget implementation in accordance with Article 172(6) EUTMR and Article 104(5) and (6) of the Office's Financial Regulation.

In line with Article 104(8) of the Office's Financial Regulation, the reservation of the corresponding funds will be included in the budget for the year following the closure of the accounts of the financial year during which the offsetting was generated. The funds will be distributed to Member States as part of the implementation of that budget.

The amount for the offsetting for the financial year 2020 corresponds to EUR 13.9 million. It was included in the Office's budget for the year 2022 and was distributed in January and February. The amount for the offsetting for the financial year 2021 corresponds to EUR 15.2 million. The amount is included in the budget for the year 2023 for payment at the beginning of that year.

These amounts constitute an obligation of the Office towards third parties and are therefore considered as an accrued expenditure.

A detailed description of the offsetting mechanism is also given in chapter 4.6.

2.6.3. Off balance sheet information

27 – STAFF

The distribution of staff (officials, temporary agents) by category on 31 December was as follows:

	Number of staff (officials, temporary agents)	
	2021	2020
Administrator	396	351
Assistant	479	497
TOTAL	875	848



In addition to the staff included above, the Office employs contract agents, seconded national experts, trainees and special advisors. The Office also counts on the support of agency staff workers, when necessary.

A detailed breakdown of the Office's overall staff, including agency staff workers, on 31 December, is given in the following table:

N° of staff in place							
Officials	Temporary agents	Contract agents	Agency staff (*)	Seconded national experts	Trainees	Special advisors	Total
564	311	223					
	1 098		48	68	128	2	1 344

* Agency staff corresponds to interim workers.

28 – RELATED PARTIES

As at 31 December, no related parties were identified. The list of key management personnel is shown below:

<i>Grade</i>	<i>No of persons</i>
AD 16	
AD 15	1
AD 14	7
AD 13	5
AD 12	2
AD 11	
AD 10	2
AD 6 - 9	3
TOTAL	<u>20</u>

Of the members of the key management personnel included in the above table, five are not authorising officers or authorising officers by delegation. Their remuneration is in accordance with the Staff Regulations. As at 31 December, there was a total of one authorising officer and 50 authorising officers by delegation or sub-delegation at the Office.

29 – THE MANAGEMENT BOARD AND THE BUDGET COMMITTEE

The Members of the Management Board and the Budget Committee do not receive any payment for their duties, except the reimbursement of their travelling expenses.

30 – CONTINGENT LIABILITIES/ASSETS

As at 31 December, contingent liabilities amounted to EUR 306 000.

Contingent assets amount to EUR 2 515 089.03 and correspond to guarantee deposits (see note 5 – subheading 'Bank guarantees').

31 – IMPACT OF THE COVID-19 PANDEMIC

As throughout the year 2020, also during 2021 all aspects of the Office's activities were still affected by the COVID-19 pandemic and were monitored constantly. Taking the exceptional circumstances into consideration, the Office continued the implementation of measures to guarantee the wellbeing and safety of its staff in line with the recommendations of the local health authorities, as well as the continuity of services for users. Incoming applications were treated without any service interruption and fulfilling the quality standards. In addition, the Office continued with the communication and outreach effort in order to keep both internal and external stakeholders constantly updated on the situation. After a prudent return to normality starting in September 2020, a return to normal campus occupation took place, combined with teleworking on a voluntary basis.

32 – POST-BALANCE SHEET EVENTS

Following the outbreak of the Russia-Ukraine war, the EUIPO has adopted a number of measures in the field of intellectual property in coordination with the EU institutions. All cooperation actions with Rospatent, the Russian Federal Service for Intellectual Property and the Eurasian Patent Organisation (EAPO) have been halted, time limits for parties in proceedings before the Office having their residence or registered office in Ukraine have been extended, as well as measures derived from the EU Council Regulation about sanctions have been implemented. All measures are vetted by the European Commission.

During the first quarter of 2022 due to a decrease in filings, the Office has experienced a 16.6% decrease in revenues as compared to the budget forecasts. Consequently, the Office adjusted its level of expenditure downwards covering staff costs, operational and strategic costs and European Cooperation projects. However, this effort is partially counterbalanced by increases that are beyond the Office's control such as salaries and energy costs. Given the current uncertainties and in face of deviations higher than 10%, the Office might consider amending its budget for the year 2022.

There are no other post-balance sheet events to be reported.

33 – OTHER SIGNIFICANT DISCLOSURES

Outstanding budgetary commitments not yet consumed:

Outstanding budgetary commitments not yet consumed refers to the open budgetary commitments, that means all initial budgetary commitments less payments and de-commitments, less any related liabilities shown in the balance sheet, such as accrued charges or invoices received but not yet paid.

As at 31 December, the appropriations carried over but not yet expensed amount to EUR 20 571 250.96.

Operating lease:

As at 31 December, the Office's operating lease was the following:

	<i>Charges paid during the year</i> (A)	<i>Charges still to be paid</i>		
		<i><1 yr</i> (B)	<i>1-5 yrs</i> (C)	<i>Total charges to be paid</i> (D = B + C)
IT materials and other equipments	282 438.73	215 058.48	141 786.74	356 845.22
Buildings	268 679.84	173 555.96	788 916.32	962 472.28
TOTAL	<u>551 118.57</u>	<u>388 614.44</u>	<u>930 703.06</u>	<u>1 319 317.50</u>

Impact of the revised European Union Accounting Rules (EAR) 11 "Financial Instruments"

In 2020, the Commission Accounting Officer adopted the revised European Union Accounting Rule (EAR) 11 "Financial Instruments" which is mandatorily effective as of 1 January 2021.

The Office has assessed the new impairment model based on expected credit losses and concluded that there is no material impact.

As a consequence, the application of the new accounting rule EAR 11 has no impact on the Office's accounts for 2021.

The only financial instruments owned by the Office are receivables and pre-financings. They amount to EUR 1 133 356 and were classified as 'financial assets at amortised cost' in accordance with the revised EAR 11 requirements (EUR 718 580 in 2020).

3. REPORT ON THE BUDGET IMPLEMENTATION

3.1. BUDGETARY PRINCIPLES (summary based on the Office's Financial Regulation)

a) Principles of unity and of budget accuracy

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Office.

No revenue may be collected and no expenditure effected unless booked to a line in the budget.

An appropriation must not be entered in the budget of the Office if it is not for an item of expenditure considered necessary.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget of the Office.

b) Principle of annuality

The appropriations entered are authorised for one financial year and must therefore be used during that year.

Commitments will be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments will be entered in the accounts for a financial year on the basis of the payments made by the accounting officer by 31 December of that year at the latest.

c) Principle of equilibrium

The Office's budgetary revenue and expenditure must be in balance.

d) Principle of unit of account

The budget will be drawn up and implemented in euro and the accounts will be presented in euro.

The rate of conversion between the euro and other currencies is taken from the monthly publication 'Infor-Euro'. Balances in foreign currencies open at the year-end are valued at the year-end rate.

e) Principle of universality

Total revenue must cover all expenditure. All revenue and expenditure must be entered in full without any adjustment against each other.

f) Principle of specification

The appropriations will be earmarked for specific purposes by title and chapter; the chapters will be further subdivided into articles and items.

g) Principle of sound financial management

Budget appropriations will be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

h) Principle of transparency

The budget will be drawn up and implemented and the accounts presented in compliance with the principle of transparency.

According to the Article 31(2) of the Office's Financial Regulation, information about the budget and any amending budget, as definitively adopted, must be published in the *Official Journal of the European Union* within 3 months of their adoption.

3.1.1. Types of appropriations

The Office makes use of non-differentiated appropriations for its budget.

The Office makes use of automatic carry-overs of appropriations.

Furthermore, the Office makes use of assigned revenue which can come from refunds, in which case the amounts assigned to the budget item on which the initial expenditure was incurred may be carried over for one year only, or from earmarked revenue to finance EU-funded projects for which the Office performs all the budget implementation tasks.

3.2. BUDGETARY RESULT

31-Dec-21

(EUR)

R E V E N U E		
	2021	2020
OWN REVENUE	303 150 223.85	277 552 206.48
Revenue from fees	302 941 311.29	277 266 499.75
Other revenue	208 912.56	285 706.73
INTEREST	5 964.50	6 186.05
ASSIGNED REVENUE	9 479 570.17	6 195 760.76
EU-funded projects and SME Fund	6 981 520.70	5 539 607.27
Other assigned revenue	2 498 049.47	656 153.49
TOTAL	312 635 758.52	283 754 153.29

E X P E N D I T U R E		
	2021	2020
STAFF EXPENDITURE (TITLE 1)	128 548 158.83	125 663 711.60
Expenditure paid during the financial year	127 810 579.54	124 952 739.19
Carryover of expenditure	737 579.29	710 972.41
OPERATING EXPENDITURE (TITLE 2)	71 368 094.09	56 553 020.62
Expenditure paid during the financial year	60 078 725.37	48 245 953.19
Carryover of expenditure	11 289 368.72	8 307 067.43
SPECIFIC EXPENDITURE (TITLE 3)	51 298 570.87	52 052 754.58
Expenditure paid during the financial year	43 213 050.27	42 733 157.43
Carryover of expenditure	8 085 520.60	9 319 597.15
CONTRIBUTION TO EU POLICIES (TITLE 4)	38 029 727.75	20 142 085.38
Expenditure paid during the financial year	21 861 777.34	6 267 370.77
Carryover of expenditure	16 167 950.41	13 874 714.61
OFFSETTING TO MEMBER STATES (TITLE 5)	12 731 605.54	11 973 646.72
Expenditure paid during the financial year	12 731 605.54	11 973 646.72
Carryover of expenditure		
OTHER ASSIGNED REVENUE	2 498 049.47	656 153.49
Expenditure paid during the financial year		
Carryover of expenditure	2 498 049.47	656 153.49
TOTAL	304 474 206.55	267 041 372.39

Adjustment of assigned revenue carried over	13 874 714.61	10 950 548.31
Result before carry over not used	22 036 266.58	27 663 329.21
Carryover not used related to:		
Staff, operating and specific expenditure	1 936 728.74	2 232 889.23
Assigned revenue	656 153.49	615 310.26
Exchange rate differences for the year (gain+/loss-)	- 77 127.35	- 96 148.87
RESULT OF THE YEAR	24 552 021.46	30 415 379.83
Balance from the previous year	233 342 000.96	208 399 666.25
Allocation to (+) / withdrawal from reserve fund (-)	16 535 933.88	5 473 045.12
Adjustment of accumulated provision		
RESULT TO CARRY OVER	216 806 067.08	202 926 621.13
Extraordinary result		
CARRYOVER OF RESULT	241 358 088.54	233 342 000.96

The carryover of result does not include the reserve fund of EUR 260 656 176.59.

3.3. RECONCILIATION OF BUDGETARY RESULT AND STATEMENT OF FINANCIAL PERFORMANCE

31-Dec-21
(EUR)

	2021	2020
RESULT OF THE YEAR (BUDGET)	24 552 021.46	30 415 379.83
ADJUSTMENTS RELATED TO BUDGET ACCOUNTING		
Purchases of assets with appropriations N , received and paid in N +	17 463 997.26	19 513 665.55
Cancellation of carried over appropriations N / N+1 +	20 976 441.59	18 337 636.99
Carried over appropriations N-1 not used -	- 1 936 728.74	- 2 232 889.23
New pre-financing paid in the year and remaining open +		
ADJUSTMENTS RELATED TO ACCRUALS ACCOUNTING		
Adjustments for year N -1 +	20 925 757.59	19 617 306.14
Adjustments for year N -	- 23 190 607.92	- 21 938 207.35
Variation of provisions +/-	227 000.00	133 000.00
Allocations to depreciations -	- 15 077 690.68	- 19 505 380.49
Carried over appropriation N-1 / N used in N -	- 16 400 908.25	- 18 593 830.53
Prefinancing given in previous year and cleared in the year		
FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR	27 539 282.31	25 746 680.91

4. REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT

4.1. AMENDING BUDGETS

During 2021, two amending budgets were adopted. A first one in June 2021 was needed to include a technical adjustment to the establishment plan. A second amending budget was adopted in November 2021 following the significant growth in terms of volume of applications and consecutive workload where the Office had to take the necessary measures to cope with this unexpected situation. The amending budget assumed an annual growth rate of 21.2 % for direct paid EUTM applications compared to the original budget. On the expenditure side, increases were necessary, compared with the original budget, due to the higher workload. The adjustments mainly concern Title 1 for staff related expenditure, and Title 2 for general IT services and infrastructure and logistics management.

REVENUE:

The main reason for the increase in revenue was the higher revenue from direct EUTM application fees, increasing by EUR + 30.0 million (+ 17.4 %).

REVENUE	Adopted budget	Modifications	Amending budget	Variance
European Trade Mark fees	251 486 557.88	30 000 000.00	281 486 557.88	11.9%
Community Design fees	30 956 164.36		30 956 164.36	
Interests				
Other income	132 000.00		132 000.00	
Total operational revenue	282 574 722.24	30 000 000.00	312 574 722.24	10.6%
EU-funded projects				
Other assigned revenue				
Total assigned revenue				
<i>Balance from previous financial year</i>	<i>221 503 302.42</i>		<i>221 503 302.42</i>	
Total revenue	<u>504 078 024.66</u>	<u>30 000 000.00</u>	<u>534 078 024.66</u>	6.0%

EXPENDITURE:

In Title 1 (+ EUR 5.3 million), the increase of appropriations was mainly required for a technical adjustment to cover for less savings due to higher than foreseen weighting factor for salaries in Spain. Additional funding was also needed to cover for higher expenditure for Agency staff to urgently recruit personnel to cope with the unexpected higher workload.

In Title 2 (+ EUR 7.5 million), additional funding was required due to the higher workload and the higher level of staff and users. It was mainly allocated to general IT operations in order to urgently

deploy more infrastructure and support services, including storage, computers, backup capacity, as well as capacity within the IT architecture and service management contracts. This was required to enable the Office to continue meeting customer service demand (in particular online services), meeting internal users digital workplace needs and avoid shortage of stock due to the lack of supplies.

An increase of appropriations was also required for infrastructure and logistics management (equipment and furniture) as the Office needs to scale up some building infrastructures, in particular to support hybrid working as well as health and safety measures.

The amending budget included the necessary adjustment of the reserve fund to the equivalent of the sum of the appropriations of Titles 1, 2 and 3, as well as the offsetting to Member States in line with the revised revenue estimates.

EXPENDITURE	<i>Adopted budget</i>	<i>Modifications</i>	<i>Amending budget</i>	<i>Variance</i>
Title 1 - Staff expenditure	126 418 986.44	5 300 000.00	131 718 986.44	4.2%
Title 2 - Operating expenditure	67 264 694.54	7 500 000.00	74 764 694.54	11.1%
Title 3 - Specific expenditure	54 172 495.61		54 172 495.61	
Total operational expenditure	247 856 176.59	12 800 000.00	260 656 176.59	5.2%
EU-funded projects				
Other assigned revenue				
Total expenditure related to assigned revenue				
Title 4 - Contribution to EU policies	32 767 592.72		32 767 592.72	
Title 5 - Offsetting to Member States	12 731 605.54		12 731 605.54	
Total expenditure title 4 and 5	45 499 198.26		45 499 198.26	
Ch.101 & 102 Expenditure for unforeseen events & allocation to reserve fund	163 949 534.48	15 700 000.00	179 649 534.48	9.6%
Ch.103 Offsetting to Member States	27 762 943.81	1 500 000.00	29 262 943.81	5.4%
Ch.104 Contribution to EU policies	19 010 171.52		19 010 171.52	
Total expenditure title 10	210 722 649.81	17 200 000.00	227 922 649.81	8.2%
Total expenditure	<u>504 078 024.66</u>	<u>30 000 000.00</u>	<u>534 078 024.66</u>	6.0%

4.2. BUDGET EXECUTION – REVENUE

The budget execution of revenue on 31 December was as follows:

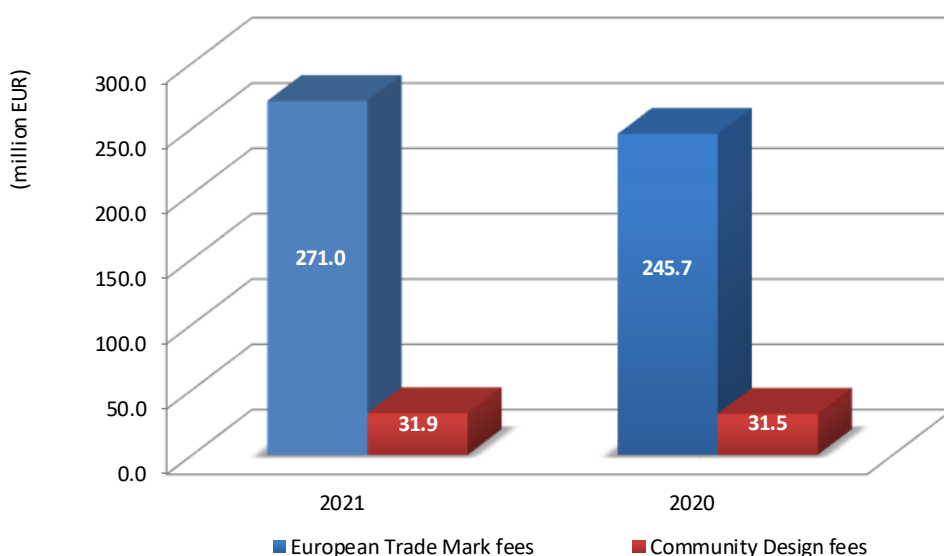
	2021				
	<i>Adopted budget</i>	<i>Transfers</i>	<i>Final budget</i>	<i>Executed budget</i>	<i>%</i>
	(A)	(B)	(C=A+B)	(D)	E=D/C
European Trade Mark fees	281 486 557.88		281 486 557.88	270 994 004.83	96.3%
Community Design fees	30 956 164.36		30 956 164.36	31 947 306.46	103.2%
Interests				5 964.50	n/a
Other income	132 000.00		132 000.00	208 912.56	158.3%
Total operational revenue	312 574 722.24		312 574 722.24	303 156 188.35	97.0%
EU-funded projects and SME Fund				6 981 520.70	n/a
Other assigned revenue				2 498 049.47	n/a
Total assigned revenue				9 479 570.17	n/a
<i>Balance from previous financial year</i>	<i>221 503 302.42</i>		<i>221 503 302.42</i>		n/a
Total revenue	<u>534 078 024.66</u>		<u>534 078 024.66</u>	<u>312 635 758.52</u>	

Comments regarding operational revenue ⁽¹⁴⁾:

The EUTM fees collected during the year were below the estimates of the last amending budget (- EUR 10.5 million). They include EUTM application fees (- EUR 6.8 million), with a decrease of 2.2 % in paid applications and a decrease of renewal fees (- EUR 3.3 million). Other EUTM fees were - EUR 0.4 million lower than estimated which is due to the decrease in the number of appeals partially counterbalanced by an increase in oppositions.

The total volume of fees collected relating to registered Community designs was above the estimates (+ EUR 1.0 million), mainly due to a higher number of applications.

Revenue from fees as per executed budget



⁽¹⁴⁾ Figures used in the text are rounded.

Compared to the previous year, revenue from fees increased by 9.3 % as a result of the 10.3 % increase in EUTM fees and the 1.3 % increase in RCD fees.

Miscellaneous revenue decreased by EUR 0.1 million.

Comments regarding assigned revenue:

During the year, EUR 7.0 million of assigned revenue were received. In relation to the EU-funded projects, the funds received amounting to EUR 5.8 million correspond to the IP Key China II, IP Key South East Asia, ARISE + IPR, Cariforum, EU support to IPR in-Georgia and AfrIPI projects, as can be seen in the closure tables of the budget included in the 'Closure of the budget' annex. In addition, EUR 1.2 million were received corresponding to the SME Fund, thereof EUR 0.2 million for the SME Fund 2021 and EUR 1.0 million for the SME Fund 2022-2024.

EUR 2.5 million are related to recovery orders settled during the year and which have not been spent.

4.3. BUDGET EXECUTION – EXPENDITURE

As in 2020, the results of the budget execution 2021 respect all the objectives in terms of level of implementation, carry-overs and unused carry-overs from previous year. Budget implementation has been above 95 % for the last 5 years and the carry-over limits have been respected for the last 6 years.

As at 31 December, the execution of the budget, including all the payments made against the year's appropriations as well as the carry-over of appropriations which cover outstanding commitments, was as follows:

	2021				
	Adopted budget	Transfers	Final budget	Executed budget	%
	(A)	(B)	(C=A+B)	(D)	E=D/C
Title 1 - Staff expenditure	131 718 986.44	- 945 000.00	130 773 986.44	128 548 158.83	98.3%
Title 2 - Operating expenditure	74 764 694.54	1 015 000.00	75 779 694.54	71 368 094.09	94.2%
Title 3 - Specific expenditure	54 172 495.61	- 70 000.00	54 102 495.61	51 298 570.87	94.8%
Total operational expenditure	260 656 176.59		260 656 176.59	251 214 823.79	96.4%
EU-funded projects and SME Fund				20 856 235.31	n/a
Other assigned revenue				2 498 049.47	n/a
Total expenditure related to assigned revenue				23 354 284.78	n/a
Title 4 - Contribution to EU policies	32 767 592.72		32 767 592.72	17 173 492.44	52.4%
Title 5 - Offsetting to Member States	12 731 605.54		12 731 605.54	12 731 605.54	100.0%
Total expenditure title 4 and 5	45 499 198.26		45 499 198.26	29 905 097.98	65.7%
Ch.101 Expenditure for unforeseen	163 113 600.60		163 113 600.60		n/a
Ch.102 Allocation to reserve fund	16 535 933.88		16 535 933.88		n/a
Ch.103 Offsetting to Member States	29 262 943.81		29 262 943.81		n/a
Ch.104 Contribution to EU policies	19 010 171.52		19 010 171.52		n/a
Total expenditure title 10	227 922 649.81		227 922 649.81		n/a
Total expenditure	<u>534 078 024.66</u>		<u>534 078 024.66</u>	<u>304 474 206.55</u>	

The heading of the column 'Final Budget' in the table above corresponds to the final appropriations in the corresponding titles of the budget (i.e. after budgetary transfers). Total operational expenditure executed reached EUR 251.2 million, which represents 96.4 % of the available appropriations in the budget corresponding to titles 1, 2 and 3.

According to Article 10(4) of the Office's Financial Regulation, where the constituent act or basic act provides that clearly defined tasks are financed separately or where the Office implements agreements concluded in accordance with Article 7 of the Office's Financial Regulation, it shall hold separate budget items on the revenue and expenditure operations.

Therefore, the Office must have separate budget items for recording the Office's contribution to EU Policies under contribution agreements outside its operational budget. Therefore, co-financing of the EU-funded projects is included under Title 4.

As a consequence of these Office contributions to Union policies that require a separate budget item outside the operational budget, the necessary funds to ensure the implementation of the activities is guaranteed by the Office's financial reserves. This allows to productively use the Office's financial reserves in the benefit of common projects with the European Commission ⁽¹⁵⁾.

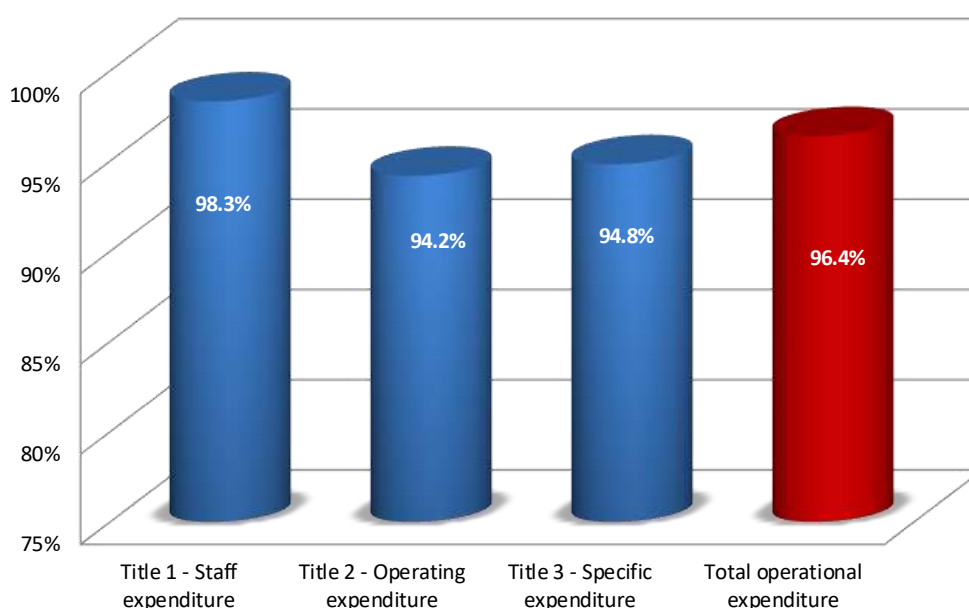
⁽¹⁵⁾ In 2020, the Office signed a contribution agreement with the European Commission providing for EUR 20 million fund, funded at 99 % by the Office's financial reserves, to help EU small and medium-sized enterprises access and benefit from their intellectual property (IP) rights.

Besides, in accordance with Article 20(2)(e) of the Office's Financial Regulation, the funds received from the European Union budget in order to finance EU-funded projects must be included as external assigned revenue and they are included in the budget as 'p.m.' in line with Article 21 (1).

Finally, the offsetting of costs incurred by the Member States pursuant to Article 172(4) EUTMR which was triggered based on the final accounts of the financial year 2019 is included under Title 5.

Comments regarding operational expenditure ⁽¹⁴⁾:

Budget execution per title and overall



The execution rate of staff expenditure (title 1) was identical to last year (98.3 %) taking into account the final appropriations. When compared to the appropriations approved in the second amending budget, the execution rate amounted to 97.6 % in 2021.

Staff-related expenditure (title 1), when compared to the appropriations approved in the second amending budget, was lower than foreseen (- EUR 3.2 million) due to: mainly the result of delays in entries into service (- EUR 1.5 million) and missions (- EUR 1.0 million) that had to be cancelled due to the pandemic and related to travel restrictions. The remainder of the difference in title 1 is due to less expenditure in Agency Staff (- EUR 0.5 million) and other miscellaneous items.

The operating expenditure (title 2) showed a lower execution rate than last year (94.2 % versus 94.7 %). When compared to the appropriations approved in the second amending budget, the execution rate was 95.5 %.

The lower execution (- EUR 3.4 million) was mainly related to adjustments to the implementation of strategic plan 2025 projects mainly in IT expenditure (- EUR 2.0 million), administrative translations (-EUR 0.8 million) and consultancy (- EUR 0.6 million).

The execution rate of special functions expenditure (title 3) was higher than last year (94.8 % versus 92.0 %). When compared to the appropriations approved in the second amending budget, the execution rate was 94.7 %.

The lower execution (- EUR 2.9 million) was mainly due to lower expenditure in the Observatory (- EUR 1.3 million) as events had to be converted into virtual ones, as well as in European Cooperation (- EUR 1.5 million). In addition, there was also a reduction in the expenditure for IP translations (- EUR 0.4 million) partially compensated by higher communication activities (+ EUR 0.3 million).

In relation to cooperation activities, the total expenditure amounts to EUR 33.2 million and is below the threshold of 15 % of the yearly budgeted revenue of the Office in accordance with Article 152(5) EUTMR.

Under Title 4, the total expenditure amounts to EUR 17.2 million corresponding to the contribution to EU-policies. An amount of EUR 4.0 million has been spent within the framework of EU-funded projects for salaries of staff members working for these projects, EUR 8.5 million corresponds to the expenditure of the European School of Alicante and EUR 4.6 million corresponds to expenditure under the SME Fund.

Under Title 5, the payment of EUR 12.7 million corresponds to the offsetting mechanism which was automatically triggered for the financial year 2019 and was paid in 2021 as budgeted.

Appropriations authorised under title 10 in the budget are never implemented directly in this title but are allocated to the corresponding budget items where they are required, in accordance with the provisions of the Office's Financial Regulation. The amount executed under title 10 is therefore zero. The initial figure budgeted in title 10 amounted to EUR 227.9 million.

Comments regarding expenditure related to assigned revenue:

Expenditure related to assigned revenue corresponds to the EU-funded projects (EUR 19.7 million) and to the SME Fund (EUR 1.2 million).

The expenditure in relation to the EU-funded projects comprises EUR 5.5 million of payments made during the year and EUR 14.2 million of appropriations and open commitments carried over to the following year.

These EUR 19.7 million can be broken down by projects as follows:

- EUR 3.2 million for IP Key China II
- EUR 3.4 million for IP Key South East Asia
- EUR 2.5 million for IP Key Latin America
- EUR 2.7 million for ARISE + IPR
- EUR 1.8 million for CarIPI
- EUR 0.8 million for EU-Georgia
- EUR 5.3 million for AfrIPI

The expenditure related to assigned revenue in relation to the SME Fund includes EUR 38 107 of payments made during the year and EUR 1 161 893 of appropriations and open commitments carried over to the following year covering the SME- fund 2021 and 2022 – 2024.

More details are available in the closure tables of the budget included in the annex.

4.4. BUDGET EXECUTION – CARRY-OVER

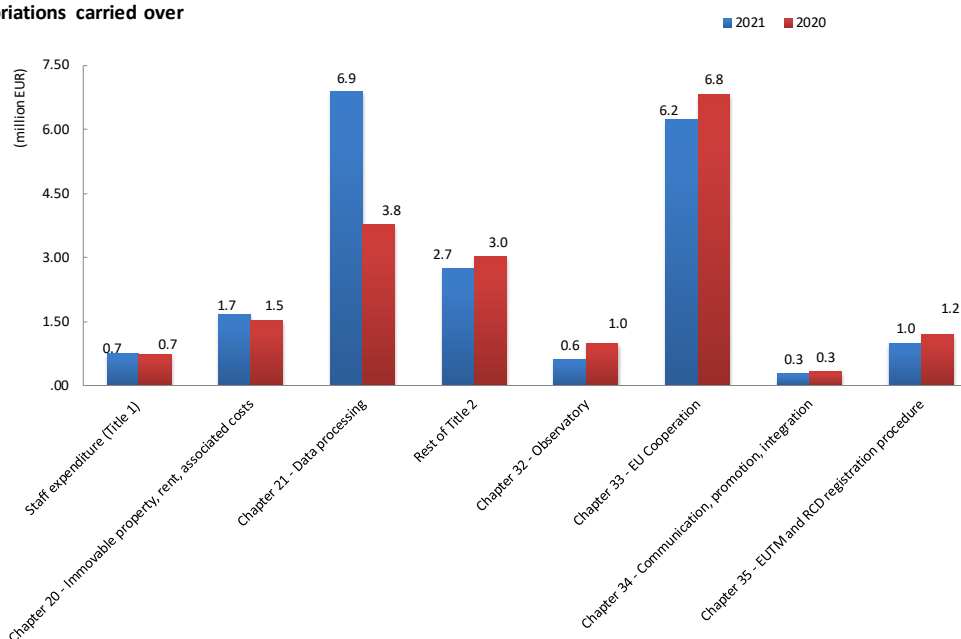
1 – APPROPRIATIONS REGARDING OPERATIONAL EXPENDITURE CARRIED OVER

Appropriations carried over on 31 December were as follows:

	(EUR)	
	2021	2020
Staff expenditure (Title 1)	737 579.29	710 972.41
Operating expenditure (Title 2)	11 289 368.72	8 307 067.43
Chapter 20 - Immovable property, rent, associated costs	1 668 910.02	1 529 831.56
Chapter 21 - Data processing	6 883 691.86	3 767 499.93
Rest of Title 2	2 736 766.84	3 009 735.94
Specific expenditure (Title 3)	8 085 520.60	9 319 597.15
Chapter 32 - Observatory	606 418.81	981 194.52
Chapter 33 - EU Cooperation	6 228 173.42	6 831 757.43
Chapter 34 - Communication, promotion, integration	261 216.69	317 088.27
Chapter 35 - EUTM and RCD registration procedure	989 711.68	1 189 556.93
TOTAL	<u>20 112 468.61</u>	<u>18 337 636.99</u>

The rate of appropriations carried over was higher than the previous year (8.0 % versus 7.8 %) and complies this financial year again with the thresholds set by the European Court of Auditors.

Appropriations carried over



2 – APPROPRIATIONS REGARDING ASSIGNED REVENUE CARRIED OVER

	(EUR)	
	2021	2020
Assigned revenue	17 802 026.90	14 530 868.10
EU-funded projects and SME Fund	15 303 977.43	13 874 714.61
Other assigned revenue	2 498 049.47	656 153.49
TOTAL	<u>17 802 026.90</u>	<u>14 530 868.10</u>

The funds received from the European Commission for the implementation of technical cooperation projects with third countries in the area of industrial property (EU-funded projects) and the contribution to the implementation of the SME Fund are included in the Office's budget as assigned revenue.

Carry-overs of assigned revenue related to these projects amount to EUR 15.3 million and comprise EUR 6.9 million of unused appropriations and EUR 8.4 million of open commitments. More details are available in the closure tables of the budget included in the annex.

3 – CARRY-OVER REGARDING OPERATIONAL EXPENDITURE NOT USED

Unused appropriations carried over from the previous to the current year were as follows:

	(EUR)		
	Carryover 2020/2021	Used	Unused (cancelled)
Carryover of staff expenditure (Title 1)	710 972.41	619 397.86	91 574.55
Carryover of operating expenditure (Title 2)	8 307 067.43	7 483 660.26	823 407.17
Carryover of specific expenditure (Title 3)	9 319 597.15	8 297 850.13	1 021 747.02
TOTAL	<u>18 337 636.99</u>	<u>16 400 908.25</u>	<u>1 936 728.74</u>

A detailed breakdown of this expenditure by heading is attached (see 'Closure of the budget').

The amount of cancelled appropriations carried over from 2020 to 2021, EUR 1.9 million, was lower as compared to the previous financial year. It represents 10.6 % compared to the cancellation rate of 10.7 % in 2020. It therefore also complies with the benchmark set by the European Court of Auditors. EUR 0.6 million of these cancelled carryovers were related to EU cooperation projects (ECPs) with EU Member States.

4 – CARRY-OVER REGARDING ASSIGNED REVENUE NOT USED

	(EUR)		
	Carryover 2020/2021	Used	Unused
Carryover of EU-funded projects and SME Fund	13 874 714.61	5 552 257.88	8 322 456.73
Carryover of other assigned revenue	656 153.49		656 153.49
TOTAL	<u>14 530 868.10</u>	<u>5 552 257.88</u>	<u>8 978 610.22</u>

Unused appropriations carried over for EU-funded projects and the SME Fund are carried over each year to the following year until the projects are closed.

Unused carry-overs of other assigned revenue are cancelled and booked as income.

4.5. CARRY-OVER OF RESULT

The result of the year is EUR 24.6 million.

This is the result of the total revenue from fees, interest, other revenue and income from assigned revenue amounting to EUR 312.6 million on the one hand and the total expenditure in titles 1, 2 and 3, the expenditure related to assigned revenue (EU-funded projects and other assigned revenue) and the expenditure related to the contribution to EU policies and the offsetting to Member States totalling EUR 304.5 million on the other, plus the carry-over not used amounting to EUR 2.6 million, and the adjustment for assigned revenue carried over and the exchange rate differences (EUR 13.8 million).

In accordance with Article 172(10) EUTMR, together with Articles 100, 101 and 104 of the Office's Financial Regulation, any allocation to or withdrawal from the reserve fund must be reflected in the carry-over of result. During the year, and in accordance with the approved budget, EUR 16.5 million were allocated to the reserve fund.

The budget result of the year, together with the balance from the previous year amounting to EUR 233.3 million and taking into account the allocation to the reserve fund, produced a carry-over of result of EUR 241.4 million.

More details are available in chapter 3.2 - Budgetary result.

4.6. OFFSETTING MECHANISM

According to Article 172(4) EUTMR, the Office shall offset the costs incurred by the central industrial property offices of the Member States, by the Benelux Office for Intellectual Property and by any other relevant authority to be nominated by a Member State, as the result of the specific tasks which they carry out as functional parts of the EU trade mark system. Following paragraph 5 of the same Article, the overall offsetting of the costs identified in paragraph 4 shall correspond to 5 % of the yearly revenue of the Office which is defined in Article 6(5) of the Office's Financial Regulation.

The following table shows how the overall amount of offsetting of costs is calculated:

	(EUR)	
	2021	2020
Own revenue	303 150 223.85	277 552 206.48
Interests	5 964.50	6 186.05
Any other type of income		
<u>Total yearly revenue in accordance with Art. 6 (5) of the EUIPO Financial Regulation</u>	<u>303 156 188.35</u>	<u>277 558 392.53</u>
5% of the yearly revenue in accordance with Art. 172 (5) EUTMR	15 157 809.42	13 877 919.63

According to Article 172(6) EUTMR, the Office has the obligation to offset the costs referred to in paragraph 4 of the same Article and incurred in a given year. This only applies to the extent that no budgetary deficit occurs in that year.

In order to define such a budgetary deficit, the Office's Financial Regulation sets out in its Article 104 (5) the following definition:

For the purposes of Article 172(6) of the constituent act, a budgetary deficit shall be the negative result consisting in the difference between:

- the yearly revenue, as defined in Article 6(5), plus any unused appropriations carried over from the previous financial year, and
- the total of the budget execution of Titles 1, 2 and 3 of that financial year, comprising the payments and the appropriations carried over against that financial year's budget,

less any eventual allocations to or plus any withdrawals from the reserve fund, less the amount corresponding to the offsetting foreseen in Article 172 (5) of the constituent act, and excluding the positive/negative balance from the previous financial year.

The following table shows in detail the calculation related to the potential activation of the offsetting mechanism.

	(EUR)	
	2021	2020
Own revenue EUIPO Financial Regulation Art. 6 (3) a	303 150 223.85	277 552 206.48
Interests EUIPO Financial Regulation Art. 6 (3) b	5 964.50	6 186.05
Exchange rate differences EUIPO Financial Regulation Art. 6 (3) b	- 77 127.35	- 96 148.87
Carryover not used from previous year related to title 1, 2 and 3 and assigned revenue	2 592 882.23	2 848 199.49
(A) Total yearly revenue according to Article 104 (5) and (6) of the EUIPO Financial Regulation	<u>305 671 943.23</u>	<u>280 310 443.15</u>
Staff expenditure (title 1)	- 128 548 158.83	- 125 663 711.60
Operating expenditure (title 2)	- 71 368 094.09	- 56 553 020.62
Specific expenditure (title 3)	- 51 298 570.87	- 52 052 754.58
(B) Total budget execution (title 1- 3)	<u>- 251 214 823.79</u>	<u>- 234 269 486.80</u>
(C) Difference (A) - (B)	<u>54 457 119.44</u>	<u>46 040 956.35</u>
(D) Less allocation to reserve fund	- 16 535 933.88	- 5 473 045.12
(E) Plus withdrawal from reserve fund		
(F) Less expenditure relating to the offsetting based on Art. 172 (5) EUTMR	- 15 157 809.42	- 13 877 919.63
(G) Budgetary result according to Article 104 (5) and (6) of the EUIPO Financial Regulation (C) - (D) + (E) - (F)	<u>22 763 376.14</u>	<u>26 689 991.60</u>

The total yearly revenue according to Article 104(5) of the Office's Financial Regulation amounts to EUR 303.2 million. Therefore, the 5 % offsetting of costs borne by the Member States amounts to EUR 15.2 million.

Deducting the expenditure related to titles 1, 2 and 3 and the allocation to the reserve fund (EUR 16.5 million) as well as the 5 % offsetting of costs from the total yearly revenue indicated above leads to a budgetary result of EUR 22.8 million in terms of Article 104(5) of the Office's Financial Regulation.

Consequently, the offsetting of costs borne by the Member States provided for in Article 172(6) EUTMR can take place. In line with Article 104 (8) of the Office's Financial Regulation, the reservation of the corresponding funds will be included in the budget for the year 2023 and is expected to be distributed to Member States at the beginning of that year.

4.7. TRANSFERS

The following table includes the overall volume of transfers implemented during the year between titles 1, 2, 3 and 10 of the budget. The detailed amounts per chapter and per budget item can be found in the 'Closure of the budget' annex.

	<i>(EUR)</i>		
	<i>Total appropriation</i>	<i>Transfers</i>	<i>Final appropriation</i>
	<i>A</i>	<i>B</i>	<i>C = A + B</i>
Title 1 - Staff expenditure	131 718 986.44	- 945 000.00	130 773 986.44
Title 2 - Operating expenditure	74 764 694.54	1 015 000.00	75 779 694.54
Title 3 - Specific expenditure	54 172 495.61	- 70 000.00	54 102 495.61
Title 4 - Contribution to EU policies	32 767 592.72		32 767 592.72
Title 5 - Offsetting to Member States	12 731 605.54		12 731 605.54
Title 10 - Expenditure for unforeseen events	227 922 649.81		227 922 649.81
TOTAL	<u>534 078 024.66</u>	<u>0.00</u>	<u>534 078 024.66</u>

During the year, 15 transfers of appropriations were performed, grouped into 15 procedures approved by the Office's Executive Director.

The amounts transferred consisted of the following:

- EUR 3.5 million transferred between Human Resources budget lines;
- EUR 2.5 million transferred between infrastructures and logistics budget lines;
- EUR 2.0 million transferred between IT budget lines;
- EUR 0.8 million transferred between infrastructures and logistics budget lines and Customer related budget lines;
- Other miscellaneous transfers totalling of EUR 1.6 million.

In addition, a transfer from title 10 was performed amounting to EUR 9.0 million. This transfer was incorporated in the total appropriations by the means of the second amending budget.

4.8. ANNEX – CLOSURE OF THE BUDGET

OVERVIEW

EXPENDITURE

CARRY-OVER

REVENUE

EXPENSES FOR EU-FUNDED PROJECTS

INTERNAL ASSIGNED REVENUE

LIST OF TRANSFERS

**CLOSURE OF BUDGET 2021
OVERVIEW**

Item	Heading	Initial appropriation A	Amending budget B	Total appropriation C = A + B	Transfers D	Final appropriation E = C + D	% of total	Commitments F	Payments G	% Payments /Final Appropriations H = G / E	Appropriations lapsing I = E-G-J	Carryovers J	Budget execution K = G + J	% Execution /Final appropriations L = K / E
	TOTAL TITLE 1	126 418 986.44	5 300 000.00	131 718 986.44	- 945 000.00	130 773 986.44	24.5%	128 548 158.83	127 810 579.54	97.7%	2 225 827.61	737 579.29	128 548 158.83	98.3%
	Chapter 11	122 532 964.44	5 300 000.00	127 832 964.44	- 861 550.00	126 971 414.44	23.8%	125 733 474.06	125 218 470.88	98.6%	1 237 940.38	515 003.18	125 733 474.06	99.0%
	Chapter 13	1 360 325.12	0.00	1 360 325.12	- 135 000.00	1 225 325.12	0.2%	368 678.53	197 681.43	16.1%	856 646.59	170 997.10	368 678.53	30.1%
	Chapter 14	597 966.48	0.00	597 966.48	0.00	597 966.48	0.1%	533 289.27	497 379.10	83.2%	64 677.21	35 910.17	533 289.27	89.2%
	Chapter 15	1 344 989.00	0.00	1 344 989.00	51 550.00	1 396 539.00	0.3%	1 394 635.00	1 394 635.00	99.9%	1 904.00	0.00	1 394 635.00	99.9%
	Chapter 16	564 541.40	0.00	564 541.40	0.00	564 541.40	0.1%	516 245.83	500 587.49	88.7%	48 295.57	15 658.34	516 245.83	91.4%
	Chapter 17	18 200.00	0.00	18 200.00	0.00	18 200.00	0.0%	1 836.14	1 825.64	10.0%	16 363.86	10.50	1 836.14	10.1%
	TOTAL TITLE 2	67 264 694.54	7 500 000.00	74 764 694.54	1 015 000.00	75 779 694.54	14.2%	71 368 094.09	60 078 725.37	79.3%	4 411 600.45	11 289 368.72	71 368 094.09	94.2%
	Chapter 20	13 056 614.00	200 000.00	13 256 614.00	- 106 500.00	13 150 114.00	2.5%	12 136 058.22	10 467 148.20	79.6%	1 014 055.78	1 668 910.02	12 136 058.22	92.3%
	Chapter 21	34 181 534.22	5 410 000.00	39 591 534.22	- 1 957.13	39 589 577.09	7.4%	38 208 289.01	31 324 597.15	79.1%	1 381 288.08	6 883 691.86	38 208 289.01	96.5%
	Chapter 22	2 910 703.91	590 000.00	3 500 703.91	904 000.00	4 404 703.91	0.8%	4 266 181.46	3 779 490.70	85.8%	138 522.45	486 690.76	4 266 181.46	96.9%
	Chapter 23	8 862 641.61	600 000.00	9 462 641.61	- 236 942.87	9 225 698.74	1.7%	8 221 092.43	7 129 626.54	77.3%	1 004 606.31	1 091 465.89	8 221 092.43	89.1%
	Chapter 24	1 401 900.00	0.00	1 401 900.00	- 82 000.00	1 319 900.00	0.2%	1 297 670.92	1 155 098.64	87.5%	22 229.08	142 572.28	1 297 670.92	98.3%
	Chapter 25	2 792 148.00	0.00	2 792 148.00	674 000.00	3 466 148.00	0.6%	3 165 212.15	2 744 109.94	79.2%	300 935.85	421 102.21	3 165 212.15	91.3%
	Chapter 26	4 059 152.80	700 000.00	4 759 152.80	- 135 600.00	4 623 552.80	0.9%	4 073 589.90	3 478 654.20	75.2%	549 962.90	594 935.70	4 073 589.90	88.1%
	TOTAL TITLE 3	54 172 495.61	0.00	54 172 495.61	- 70 000.00	54 102 495.61	10.1%	51 298 570.87	43 213 050.27	79.9%	2 803 924.74	8 085 520.60	51 298 570.87	94.8%
	Chapter 32	6 458 818.01	0.00	6 458 818.01	- 877 000.00	5 581 818.01	1.0%	5 139 186.82	4 532 768.01	71.2%	442 631.19	606 418.81	5 139 186.82	92.1%
	Chapter 33	30 889 868.80	0.00	30 889 868.80	- 115 000.00	30 774 868.80	5.8%	29 375 324.14	23 147 150.72	81.2%	1 399 544.66	6 228 173.42	29 375 324.14	95.5%
	Chapter 34	1 342 252.00	0.00	1 342 252.00	690 000.00	2 032 252.00	0.4%	1 695 300.82	1 434 084.13	70.6%	336 951.18	261 216.69	1 695 300.82	83.4%
	Chapter 35	15 481 556.80	0.00	15 481 556.80	232 000.00	15 713 556.80	2.9%	15 088 759.09	14 099 047.41	89.7%	624 797.71	989 711.68	15 088 759.09	96.0%
	TOTAL expenditure T1 - T2 - T3	247 856 176.59	12 800 000.00	260 656 176.59	0.00	260 656 176.59	48.8%	251 214 823.79	231 102 355.18	88.7%	9 441 352.80	20 112 468.61	251 214 823.79	96.4%
	TOTAL TITLE 4	32 767 592.72	0.00	32 767 592.72	0.00	32 767 592.72	6.1%	17 373 492.44	16 309 519.46	49.8%	15 594 100.28	863 972.98	17 173 492.44	52.4%
	Chapter 40	p.m	p.m	p.m	p.m	p.m		p.m	p.m		p.m	0.00	p.m	
	Chapter 41	4 289 716.72	0.00	4 289 716.72	- 27 602.56	4 262 114.16	0.8%	4 005 939.61	4 005 939.61	94.0%	256 174.55	0.00	4 005 939.61	94.0%
	Chapter 42	8 477 876.00	0.00	8 477 876.00	53 153.00	8 531 029.00	1.6%	8 531 029.00	8 531 029.00	100.0%	0.00	0.00	8 531 029.00	100.0%
	Chapter 43	20 000 000.00	0.00	20 000 000.00	- 25 550.44	19 974 449.56	3.7%	4 836 523.83	3 772 550.85	18.9%	15 337 925.73	863 972.98	4 836 523.83	23.2%
	TOTAL TITLE 5	12 731 605.54	0.00	12 731 605.54	0.00	12 731 605.54	2.4%	12 731 605.54	12 731 605.54	100.0%	0.00	0.00	12 731 605.54	100.0%
	Chapter 50	12 731 605.54	0.00	12 731 605.54	0.00	12 731 605.54	2.4%	12 731 605.54	12 731 605.54	100.0%	0.00	0.00	12 731 605.54	100.0%
	TOTAL TITLE 10	210 722 649.81	17 200 000.00	227 922 649.81	0.00	227 922 649.81	42.7%	0.00	16 535 933.88	7.3%	211 386 715.93	0.00	16 535 933.88	7.3%
	Chapter 101	160 213 600.60	2 900 000.00	163 113 600.60	0.00	163 113 600.60	30.5%	0.00	0.00	0.0%	163 113 600.60	0.00	0.00	0.0%
	Chapter 102	3 735 933.88	12 800 000.00	16 535 933.88	0.00	16 535 933.88	3.1%	0.00	16 535 933.88	100.0%	0.00	0.00	16 535 933.88	100.0%
	Chapter 103	27 762 943.81	1 500 000.00	29 262 943.81	0.00	29 262 943.81	5.5%	0.00	0.00	0.0%	29 262 943.81	0.00	0.00	0.0%
	Chapter 104	19 010 171.52	0.00	19 010 171.52	0.00	19 010 171.52	3.6%	0.00	0.00	0.0%	19 010 171.52	0.00	0.00	0.0%
	TOTAL expenditure	504 078 024.66	30 000 000.00	534 078 024.66	0.00	534 078 024.66	100.0%	281 319 921.77	276 679 414.06					

Heading	Initial appropriation A	Amending budget (Variations) B	Total budget C = A + B	Revenue established	Revenue established and recorded
REVENUE					
Revenue accruing from European Union trademark related fees received by the Office.	251 486 557.88	30 000 000.00	281 486 557.88	270 994 004.83	270 994 004.83
Revenue accruing from fees received by the Office relating to Community designs.	30 956 164.36	0.00	30 956 164.36	31 947 306.46	31 947 306.46
Revenue from deposited funds (bank interest and other income from the accounts of the Office).	0.00	0.00	0.00	5 964.50	5 964.50
Revenue accruing from administrative charges imposed for insufficient funds in current accounts.	32 000.00	0.00	32 000.00	22 870.50	22 870.50
Miscellaneous revenues	100 000.00	0.00	100 000.00	193 528.72	186 042.06
Balance from previous financial year and withdrawals from the Reserve Fund	221 503 302.42	0.00	221 503 302.42	0.00	0.00
Total	504 078 024.66	30 000 000.00	534 078 024.66	303 163 675.01	303 156 188.35

CLOSURE OF BUDGET 2021
EXPENDITURE

Item	Heading	Initial appropriation	Amending budget	Total appropriation	Transfers	Final appropriation	% of total	Commitments	Payments	% Payments /Final Appropriations	Appropriations lapsing	Carryovers	Budget execution	% Execution /Final appropriations
		A	B	C = A + B	D	E = C + D		F	G	H = G / E	I = E-G-J	J	K = G + J	L = K / E
1100	Basic salaries	72 965 886.26	0.00	72 965 886.26	- 1 462 610.00	71 503 276.26	27.4%	70 987 072.64	70 987 072.64	99.3%	516 203.62	0.00	70 987 072.64	99.3%
1101	Family allowances	10 369 080.59	0.00	10 369 080.59	- 203 225.00	10 165 855.59	3.9%	10 025 041.42	10 025 041.42	98.6%	140 814.17	0.00	10 025 041.42	98.6%
1102	Expatriation and foreign residence allowances	8 667 903.30	0.00	8 667 903.30	0.00	8 667 903.30	3.3%	8 422 958.01	8 422 958.01	97.2%	244 945.29	0.00	8 422 958.01	97.2%
1103	Fixed allowance	59 366.94	0.00	59 366.94	0.00	59 366.94	0.0%	43 808.76	43 808.76	73.8%	15 558.18	0.00	43 808.76	73.8%
1113	Special advisers	36 320.54	0.00	36 320.54	0.00	36 320.54	0.0%	27 179.36	22 386.32	61.6%	9 141.18	4 793.04	27 179.36	74.8%
1115	Contract agents	8 042 555.81	0.00	8 042 555.81	750 000.00	8 792 555.81	3.4%	8 719 310.47	8 719 310.47	99.2%	73 245.34	0.00	8 719 310.47	99.2%
1120	Further training for the staff	1 283 663.68	0.00	1 283 663.68	0.00	1 283 663.68	0.5%	1 182 878.03	911 033.95	71.0%	100 785.65	271 844.08	1 182 878.03	92.1%
1130	Insurance against sickness	2 843 396.32	0.00	2 843 396.32	0.00	2 843 396.32	1.1%	2 800 850.58	2 800 850.58	98.5%	42 545.74	0.00	2 800 850.58	98.5%
1131	Insurance against accidents and occupational disease	315 932.92	0.00	315 932.92	0.00	315 932.92	0.1%	314 286.66	314 286.66	99.5%	1 646.26	0.00	314 286.66	99.5%
1132	Unemployment insurance for temporary and contract staff	432 737.10	0.00	432 737.10	0.00	432 737.10	0.2%	414 070.73	414 070.73	95.7%	18 666.37	0.00	414 070.73	95.7%
1133	Establishment or maintenance of pension rights for officials and other staff	16 096 377.44	0.00	16 096 377.44	450 000.00	16 546 377.44	6.3%	16 500 595.66	16 500 595.66	99.7%	45 781.78	0.00	16 500 595.66	99.7%
1141	Annual travel costs from the place of employment to the place of origin	1 873 687.44	0.00	1 873 687.44	0.00	1 873 687.44	0.7%	1 826 016.58	1 826 016.58	97.5%	47 670.86	0.00	1 826 016.58	97.5%
1147	Allowances for shiftwork or standby duty at the official's place of work and/or at home	246 968.37	0.00	246 968.37	11 000.00	257 968.37	0.1%	257 605.31	257 605.31	99.9%	363.06	0.00	257 605.31	99.9%
1149	Other allowances and repayments	119 808.64	0.00	119 808.64	0.00	119 808.64	0.0%	100 610.02	100 610.02	84.0%	19 198.62	0.00	100 610.02	84.0%
1150	Overtime	12 450.86	0.00	12 450.86	60.00	12 510.86	0.0%	12 509.28	12 509.28	100.0%	1.58	0.00	12 509.28	100.0%
1160	Staff Exchanges	5 134 643.76	0.00	5 134 643.76	- 610 000.00	4 524 643.76	1.7%	4 434 066.99	4 434 066.99	98.0%	90 576.77	0.00	4 434 066.99	98.0%
1175	Agency staff	1 654 775.49	1 500 000.00	3 154 775.49	0.00	3 154 775.49	1.2%	2 657 120.27	2 466 255.67	78.2%	497 655.22	190 864.60	2 657 120.27	84.2%
1180	Miscellaneous expenditure arising from recruitment procedures	93 193.00	0.00	93 193.00	0.00	93 193.00	0.0%	48 663.20	44 702.62	48.0%	44 529.80	3 960.58	48 663.20	52.2%
1181	Travel expenses (including members of the family)	50 000.00	0.00	50 000.00	0.00	50 000.00	0.0%	47 354.83	47 354.83	94.7%	2 645.17	0.00	47 354.83	94.7%
1182	Installation and resettlement allowances	416 217.68	0.00	416 217.68	0.00	416 217.68	0.2%	380 657.07	380 657.07	91.5%	35 560.61	0.00	380 657.07	91.5%
1183	Removal expenses	170 000.00	0.00	170 000.00	0.00	170 000.00	0.1%	103 652.56	60 111.68	35.4%	66 347.44	43 540.88	103 652.56	61.0%
1184	Temporary daily subsistence allowances	281 869.58	0.00	281 869.58	203 225.00	485 094.58	0.2%	389 647.85	389 647.85	80.3%	95 446.73	0.00	389 647.85	80.3%
1190	Weightings	- 8 910 928.63	3 800 000.00	- 5 110 928.63	0.00	- 5 110 928.63	-2.0%	- 3 962 482.22	- 3 962 482.22	77.5%	- 1 148 446.41	0.00	- 3 962 482.22	77.5%
1191	Provisional appropriation	277 057.35	0.00	277 057.35	0.00	277 057.35	0.1%	0.00	0.00	0.0%	277 057.35	0.00	0.00	0.0%
1300	Mission expenses, travel expenses and incidental expenditure	1 360 325.12	0.00	1 360 325.12	- 135 000.00	1 225 325.12	0.5%	368 678.53	197 681.43	16.1%	856 646.59	170 997.10	368 678.53	30.1%
1410	Medical service	597 966.48	0.00	597 966.48	0.00	597 966.48	0.2%	533 289.27	497 379.10	83.2%	64 677.21	35 910.17	533 289.27	89.2%
1500	Organization expenses for traineeships in the Office services	1 344 989.00	0.00	1 344 989.00	51 550.00	1 396 539.00	0.5%	1 394 635.00	1 394 635.00	99.9%	1 904.00	0.00	1 394 635.00	99.9%
1600	European school Alicante	0.00	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
1610	Social contacts between staff	30 000.00	0.00	30 000.00	0.00	30 000.00	0.0%	13 168.37	13 168.37	43.9%	16 831.63	0.00	13 168.37	43.9%
1620	Other welfare expenditure	133 111.40	0.00	133 111.40	0.00	133 111.40	0.1%	123 468.98	111 505.64	83.8%	9 642.42	11 963.34	123 468.98	92.8%
1630	Early Childhood Centre and other crèches	401 430.00	0.00	401 430.00	0.00	401 430.00	0.2%	379 608.48	375 913.48	93.6%	21 821.52	3 695.00	379 608.48	94.6%
1700	Entertainment and representation expenses	18 200.00	0.00	18 200.00	0.00	18 200.00	0.0%	1 836.14	1 825.64	10.0%	16 363.86	10.50	1 836.14	10.1%

CLOSURE OF BUDGET 2021
EXPENDITURE

Item	Heading	Initial appropriation	Amending budget	Total appropriation	Transfers	Final appropriation	% of total	Commitments	Payments	% Payments /Final Appropriations	Appropriations lapsing	Carryovers	Budget execution	% Execution /Final appropriations
		A	B	C = A + B	D	E = C + D		F	G	H = G / E	I = E-G-J	J	K = G + J	L = K / E
2000	Rent	336 705.00	0.00	336 705.00	- 68 000.00	268 705.00	0.1%	268 679.84	268 679.84	100.0%	25.16	0.00	268 679.84	100.0%
2010	Insurance	95 301.00	0.00	95 301.00	- 5 000.00	90 301.00	0.0%	89 910.67	89 910.66	99.6%	390.33	0.01	89 910.67	99.6%
2020	Water, gas, electricity, heating and other miscellaneous expenditure	1 264 386.00	0.00	1 264 386.00	233 600.00	1 497 986.00	0.6%	1 496 624.47	1 166 617.08	77.9%	1 361.53	330 007.39	1 496 624.47	99.9%
2030	Cleaning and maintenance	4 318 422.00	0.00	4 318 422.00	- 365 500.00	3 952 922.00	1.5%	3 937 738.45	3 566 578.16	90.2%	15 183.55	371 160.29	3 937 738.45	99.6%
2040	Fitting-out of premises	3 140 000.00	200 000.00	3 340 000.00	- 508 000.00	2 832 000.00	1.1%	2 401 185.10	1 922 844.03	67.9%	430 814.90	478 341.07	2 401 185.10	84.8%
2050	Security and surveillance of premises	2 400 000.00	0.00	2 400 000.00	0.00	2 400 000.00	0.9%	2 394 649.54	2 176 086.97	90.7%	5 350.46	218 562.57	2 394 649.54	99.8%
2060	Acquisition of immovable property	80 000.00	0.00	80 000.00	460 000.00	540 000.00	0.2%	0.00	0.00	0.0%	540 000.00	0.00	0.00	0.0%
2070	Construction of buildings	0.00	0.00	0.00	0.00	0.00	0.0%	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
2080	Studies and technical assistance in connection with building projects	1 421 800.00	0.00	1 421 800.00	146 400.00	1 568 200.00	0.6%	1 547 270.15	1 276 431.46	81.4%	20 929.85	270 838.69	1 547 270.15	98.7%
2101	Computer centre operations - Licences and maintenance - Central software	7 567 844.68	145 000.00	7 712 844.68	- 1 123 850.05	6 588 994.63	2.5%	6 075 675.42	5 858 752.01	88.9%	513 319.21	216 923.41	6 075 675.42	92.2%
2102	Computer centre operations - Acquisitions and maintenance - Central hardware	2 181 583.98	3 120 000.00	5 301 583.98	1 332 000.00	6 633 583.98	2.5%	6 627 359.11	5 709 261.65	86.1%	6 224.87	918 097.46	6 627 359.11	99.9%
2122	IT Infrastructure and Operation	8 098 048.27	895 000.00	8 993 048.27	0.00	8 993 048.27	3.5%	8 977 561.26	8 076 069.30	89.8%	15 487.01	901 491.96	8 977 561.26	99.8%
2125	Services of computer operations staff - Miscellaneous	2 488 152.19	0.00	2 488 152.19	442 300.00	2 930 452.19	1.1%	2 841 003.87	771 114.23	26.3%	89 448.32	2 069 889.64	2 841 003.87	96.9%
2141	Analysis, programming, preliminary analysis - Maintenance of applications	10 272 550.84	650 000.00	10 922 550.84	- 525 956.01	10 396 594.83	4.0%	9 810 566.32	7 705 685.36	74.1%	586 028.51	2 104 880.96	9 810 566.32	94.4%
2142	Analysis, programming, preliminary analysis - Support, Resource Management and others	3 573 354.26	600 000.00	4 173 354.26	- 126 451.07	4 046 903.19	1.6%	3 876 123.03	3 203 714.60	79.2%	170 780.16	672 408.43	3 876 123.03	95.8%
2200	New purchases, replacement, hire, maintenance, use and repair of technical equipment and installations	1 280 000.00	500 000.00	1 780 000.00	75 000.00	1 855 000.00	0.7%	1 841 994.78	1 610 583.98	86.8%	13 005.22	231 410.80	1 841 994.78	99.3%
2204	Electronic office equipment	484 306.91	90 000.00	574 306.91	60 000.00	634 306.91	0.2%	584 598.80	396 954.08	62.6%	49 708.11	187 644.72	584 598.80	92.2%
2210	New purchases, replacement, hire, maintenance, use and repair of furniture	413 000.00	0.00	413 000.00	681 000.00	1 094 000.00	0.4%	1 083 602.79	1 067 804.92	97.6%	10 397.21	15 797.87	1 083 602.79	99.0%
2230	New purchases, replacement, hire, maintenance, use and repair of vehicles	247 500.00	0.00	247 500.00	88 000.00	335 500.00	0.1%	327 251.24	298 650.38	89.0%	8 248.76	28 600.86	327 251.24	97.5%
2250	Documentation and library expenditure	485 897.00	0.00	485 897.00	0.00	485 897.00	0.2%	428 733.85	405 497.34	83.5%	57 163.15	23 236.51	428 733.85	88.2%
2300	Stationery and office supplies	150 000.00	0.00	150 000.00	- 60 000.00	90 000.00	0.0%	89 000.00	79 247.51	88.1%	1 000.00	9 752.49	89 000.00	98.9%
2320	Bank charges and other financial charges	2 118 924.00	0.00	2 118 924.00	480 000.00	2 598 924.00	1.0%	2 506 107.87	2 164 251.16	83.3%	92 816.13	341 856.71	2 506 107.87	96.4%
2330	Legal expenses and damages	65 000.00	0.00	65 000.00	0.00	65 000.00	0.0%	50 475.20	30 812.30	47.4%	14 524.80	19 662.90	50 475.20	77.7%
2350	Miscellaneous insurance	8 723.96	0.00	8 723.96	0.00	8 723.96	0.0%	5 208.51	4 355.25	49.9%	3 515.45	853.26	5 208.51	59.7%
2353	Departmental removals and associated handling	70 000.00	0.00	70 000.00	0.00	70 000.00	0.0%	61 000.00	53 714.35	76.7%	9 000.00	7 285.65	61 000.00	87.1%
2359	Other services and operating expenditure	1 774 714.65	0.00	1 774 714.65	- 398 942.87	1 375 771.78	0.5%	1 336 199.30	1 271 864.92	92.4%	39 572.48	64 334.38	1 336 199.30	97.1%
2391	Services rendered by interpreters	462 000.00	0.00	462 000.00	- 213 000.00	249 000.00	0.1%	232 587.75	227 587.75	91.4%	16 412.25	5 000.00	232 587.75	93.4%
2392	Administrative Linguistic Services	4 213 279.00	600 000.00	4 813 279.00	- 45 000.00	4 768 279.00	1.8%	3 940 513.80	3 297 793.30	69.2%	827 765.20	642 720.50	3 940 513.80	82.6%
2400	Postal and delivery charges	250 000.00	0.00	250 000.00	23 000.00	273 000.00	0.1%	263 000.00	223 722.96	81.9%	10 000.00	39 277.04	263 000.00	96.3%
2410	Telecommunications	1 151 900.00	0.00	1 151 900.00	- 105 000.00	1 046 900.00	0.4%	1 034 670.92	931 375.68	89.0%	12 229.08	103 295.24	1 034 670.92	98.8%
2500	Conferences, congresses and meetings in general	2 792 148.00	0.00	2 792 148.00	674 000.00	3 466 148.00	1.3%	3 165 212.15	2 744 109.94	79.2%	300 935.85	421 102.21	3 165 212.15	91.3%
2600	Limited consultations, studies and surveys	4 059 152.80	700 000.00	4 759 152.80	- 135 600.00	4 623 552.80	1.8%	4 073 589.90	3 478 654.20	75.2%	549 962.90	594 935.70	4 073 589.90	88.1%

CLOSURE OF BUDGET 2021
EXPENDITURE

Item	Heading	Initial appropriation	Amending budget	Total appropriation	Transfers	Final appropriation	% of total	Commitments	Payments	% Payments /Final Appropriations	Appropriations lapsing	Carryovers	Budget execution	% Execution /Final appropriations
		A	B	C = A + B	D	E = C + D		F	G	H = G / E	I = E-G-J	J	K = G + J	L = K / E
3201	Public Awareness	1 519 982.00	0.00	1 519 982.00	0.00	1 519 982.00	0.6%	1 378 662.79	1 236 849.40	81.4%	141 319.21	141 813.39	1 378 662.79	90.7%
3202	Enforcement	2 404 032.00	0.00	2 404 032.00	- 262 700.00	2 141 332.00	0.8%	2 061 312.37	2 029 760.72	94.8%	80 019.63	31 551.65	2 061 312.37	96.3%
3203	Legal and International	100 000.00	0.00	100 000.00	- 8 998.30	91 001.70	0.0%	91 001.70	0.00	0.0%	0.00	91 001.70	100.0%	
3204	IP in the Digital World	585 020.00	0.00	585 020.00	- 18 975.20	566 044.80	0.2%	510 594.70	390 358.10	69.0%	55 450.10	120 236.60	510 594.70	90.2%
3205	Economics & Statistics	744 784.00	0.00	744 784.00	- 2 350.00	742 434.00	0.3%	722 691.00	687 164.10	92.6%	19 743.00	35 526.90	722 691.00	97.3%
3206	Statutory Meetings	1 105 000.01	0.00	1 105 000.01	- 583 976.50	521 023.51	0.2%	374 924.26	188 635.69	36.2%	146 099.25	186 288.57	374 924.26	72.0%
3300	EU Cooperation ECP	30 889 868.80	0.00	30 889 868.80	- 115 000.00	30 774 868.80	11.8%	29 375 324.14	23 147 150.72	75.2%	1 399 544.66	6 228 173.42	29 375 324.14	95.5%
3410	Communication, promotion and events	846 250.00	0.00	846 250.00	690 000.00	1 536 250.00	0.6%	1 444 664.73	1 192 286.64	77.6%	91 585.27	252 378.09	1 444 664.73	94.0%
3411	Expenditure on promotion of the Office, the European Union trade mark and the Community design	281 002.00	0.00	281 002.00	0.00	281 002.00	0.1%	44 000.00	35 161.40	12.5%	237 002.00	8 838.60	44 000.00	15.7%
3421	Expenditure on cooperation activities with third countries	215 000.00	0.00	215 000.00	0.00	215 000.00	0.1%	206 636.09	206 636.09	96.1%	8 363.91	0.00	206 636.09	96.1%
3500	Search reports	60 000.00	0.00	60 000.00	0.00	60 000.00	0.0%	27 648.00	9 728.00	16.2%	32 352.00	17 920.00	27 648.00	46.1%
3521	IP Rights Linguistic Services	13 276 556.80	0.00	13 276 556.80	0.00	13 276 556.80	5.1%	12 902 114.60	12 174 889.15	91.7%	374 442.20	727 225.45	12 902 114.60	97.2%
3570	Expenditure on external services relating to European Union Trade Mark and Community Design proceedings	1 695 000.00	0.00	1 695 000.00	232 000.00	1 927 000.00	0.7%	1 886 589.20	1 655 007.30	85.9%	40 410.80	231 581.90	1 886 589.20	97.9%
3591	Expenditure on litigation relating to European Union Trade Mark and Community Designs proceedings	450 000.00	0.00	450 000.00	0.00	450 000.00	0.2%	272 407.29	259 422.96	57.6%	177 592.71	12 984.33	272 407.29	60.5%
	TOTAL	247 856 176.59	12 800 000.00	260 656 176.59	0.00	260 656 176.59	100.0%	251 214 823.79	231 102 355.18	88.7%	9 441 352.80	20 112 468.61	251 214 823.79	96.4%
4000	EU Funded Projects	p.m.	0.00	p.m.	0.00	p.m.	0.0%	0.00	0.00	0.0%	0.00	0.00	p.m.	p.m.
4101	Expenditure of Statutory Staff for EU Funded Projects	4 215 739.48	0.00	4 215 739.48	0.00	4 215 739.48	0.0%	3 959 564.93	3 959 564.93	93.9%	256 174.55	0.00	3 959 564.93	93.9%
4102	Expenditure of Seconded National Experts for EU Funded Projects	73 977.24	0.00	73 977.24	- 27 602.56	46 374.68	0.0%	46 374.68	46 374.68	100.0%	0.00	0.00	46 374.68	100.0%
4201	Co-Financing of the European School of Alicante	8 477 876.00	0.00	8 477 876.00	53 153.00	8 531 029.00	0.0%	8 531 029.00	8 531 029.00	100.0%	0.00	0.00	8 531 029.00	100.0%
4301	Contribution to EU Policies (SME)	20 000 000.00	0.00	20 000 000.00	- 25 550.44	19 974 449.56	0.0%	4 836 523.83	3 772 550.85	18.9%	15 337 925.73	863 972.98	4 636 523.83	23.2%
5000	Offsetting to Member States	12 731 605.54	0.00	12 731 605.54	0.00	12 731 605.54	0.0%	12 731 605.54	12 731 605.54	100.0%	0.00	0.00	12 731 605.54	100.0%
10100	Provision for unforeseen events	160 213 600.60	2 900 000.00	163 113 600.60	0.00	163 113 600.60	0.0%	0.00	0.00	0.0%	163 113 600.60	0.00	0.00	0.0%
10200	Allocation to the Reserve Fund	3 735 933.88	12 800 000.00	16 535 933.88	0.00	16 535 933.88	0.0%	0.00	16 535 933.88	100.0%	0.00	0.00	16 535 933.88	100.0%
10300	Funds reserved for offsetting	27 762 943.81	1 500 000.00	29 262 943.81	0.00	29 262 943.81	0.0%	0.00	0.00	0.0%	29 262 943.81	0.00	0.00	0.0%
10400	Co-financing of EU Funded Projects	19 010 171.52	0.00	19 010 171.52	0.00	19 010 171.52	0.0%	0.00	0.00	0.0%	19 010 171.52	0.00	0.00	0.0%

CARRY-OVER

Item	Heading	Carry-over	Payments	Carry-over unused (lapsing)
		A	B	C = A - B
1100	Basic salaries	0.00	0.00	0.00
1101	Family allowances	0.00	0.00	0.00
1102	Expatriation and foreign residence allowances	0.00	0.00	0.00
1103	Fixed allowance	0.00	0.00	0.00
1113	Special advisers	0.00	0.00	0.00
1115	Contract agents	0.00	0.00	0.00
1120	Further training for the staff	194 307.21	161 609.56	32 697.65
1130	Insurance against sickness	0.00	0.00	0.00
1131	Insurance against accidents and occupational disease	0.00	0.00	0.00
1132	Unemployment insurance for temporary and contract staff	0.00	0.00	0.00
1133	Establishment or maintenance of pension rights for officials and other staff	0.00	0.00	0.00
1141	Annual travel costs from the place of employment to the place of origin	0.00	0.00	0.00
1147	Allowances for shiftwork or standby duty at the official's place of work and/or at home	0.00	0.00	0.00
1149	Other allowances and repayments	0.00	0.00	0.00
1150	Overtime	0.00	0.00	0.00
1160	Staff Exchanges	0.00	0.00	0.00
1175	Agency staff	231 736.09	214 621.05	17 115.04
1180	Miscellaneous expenditure arising from recruitment procedures	158 012.80	144 238.76	13 774.04
1181	Travel expenses (including members of the family)	0.00	0.00	0.00
1182	Installation and resettlement allowances	0.00	0.00	0.00
1183	Removal expenses	32 200.00	31 398.21	801.79
1184	Temporary daily subsistence allowances	0.00	0.00	0.00
1190	Weightings	0.00	0.00	0.00
1191	Provisional appropriation	0.00	0.00	0.00
1300	Mission expenses, travel expenses and incidental expenditure	14 316.72	2 006.11	12 310.61
1400	Running costs and replacement of equipment of restaurants and canteens	0.00	0.00	0.00
1410	Medical service	48 426.79	42 601.71	5 825.08
1500	Organization expenses for traineeships in the Office services	0.00	0.00	0.00
1600	European school Alicante	0.00	0.00	0.00
1610	Social contacts between staff	0.00	0.00	0.00
1620	Other welfare expenditure	23 886.10	22 922.46	963.64
1630	Early Childhood Centre and other crèches	7 023.00	0.00	7 023.00
1700	Entertainment and representation expenses	1 063.70	0.00	1 063.70

CARRY-OVER

Item	Heading	Carry-over	Payments	Carry-over unused (lapsing)
		A	B	C = A - B
2000	Rent	0.00	0.00	0.00
2010	Insurance	0.00	0.00	0.00
2020	Water, gas, electricity, heating and other miscellaneous expenditure	142 948.08	111 183.06	31 765.02
2030	Cleaning and maintenance	574 295.97	494 354.45	79 941.52
2040	Fitting-out of premises	399 899.32	392 088.70	7 810.62
2050	Security and surveillance of premises	109 141.85	77 531.98	31 609.87
2060	Acquisition of immovable property	0.00	0.00	0.00
2070	Construction of buildings	0.00	0.00	0.00
2080	Studies and technical assistance in connection with building projects	303 546.34	275 414.41	28 131.93
2101	Computer centre operations - Licences and maintenance - Central software	230 767.37	207 717.59	23 049.78
2102	Computer centre operations - Acquisitions and maintenance - Central hardware	292 480.51	292 460.49	20.02
2122	IT Infrastructure and Operation	666 237.92	666 191.92	46.00
2125	Services of computer operations staff - Miscellaneous	1 019 628.22	893 541.85	126 086.37
2141	Analysis, programming, preliminary analysis - Maintenance of applications	1 248 472.69	1 195 107.94	53 364.75
2142	Analysis, programming, preliminary analysis - Support, Resource Management and others	309 913.22	283 376.64	26 536.58
2200	New purchases, replacement, hire, maintenance, use and repair of technical equipment and installations	471 435.08	417 897.45	53 537.63
2204	Electronic office equipment	122 092.16	115 668.04	6 424.12
2210	New purchases, replacement, hire, maintenance, use and repair of furniture	14 015.73	14 015.73	0.00
2230	New purchases, replacement, hire, maintenance, use and repair of vehicles	20 473.58	8 636.71	11 836.87
2250	Documentation and library expenditure	7 062.97	842.60	6 220.37
2300	Stationery and office supplies	26 753.84	15 185.58	11 568.26
2320	Bank charges and other financial charges	356 611.60	344 587.53	12 024.07
2330	Legal expenses and damages	9 718.88	8 800.00	918.88

CARRY-OVER

Item	Heading	Carry-over	Payments	Carry-over unused (lapsing)
		A	B	C = A - B
2350	Miscellaneous insurance	576.90	576.90	0.00
2353	Departmental removals and associated handling	16 346.50	13 028.42	3 318.08
2359	Other services and operating expenditure	201 594.94	133 025.89	68 569.05
2391	Services rendered by interpreters	5 100.07	0.00	5 100.07
2392	Administrative Linguistic Services	785 389.95	688 823.40	96 566.55
2400	Postal and delivery charges	89 048.66	38 007.29	51 041.37
2410	Telecommunications	177 050.10	136 950.74	40 099.36
2500	Conferences, congresses and meetings in general	197 930.98	154 408.95	43 522.03
2600	Limited consultations, studies and surveys	508 534.00	504 236.00	4 298.00
3201	Public Awareness	275 979.79	256 583.66	19 396.13
3202	Enforcement	23 227.07	23 227.07	0.00
3203	Legal and International	43 911.30	43 911.30	0.00
3204	IP in the Digital World	43 711.00	29 774.00	13 937.00
3205	Economics & Statistics	547 734.55	547 734.55	0.00
3206	Statutory Meetings	46 630.81	42 164.56	4 466.25
3300	EU Cooperation ECP	6 831 757.43	6 261 140.78	570 616.65
3410	Communication, promotion and events	294 951.29	228 552.82	66 398.47
3411	Expenditure on promotion of the Office, the European Union trade mark and the Community design	22 136.98	0.00	22 136.98
3421	Expenditure on cooperation activities with third countries	0.00	0.00	0.00
3500	Search reports	30 048.00	12 096.00	17 952.00
3521	IP Rights Linguistic Services	846 449.60	604 406.61	242 042.99
3570	Expenditure on external services relating to European Union Trade Mark and Community Design proceedings	276 854.33	231 073.83	45 780.50
3591	Expenditure on litigation relating to European Union Trade Mark and Community Designs proceedings	36 205.00	17 184.95	19 020.05
10100	Provision for unforeseen events	0.00	0.00	0.00
10200	Allocation to the Reserve Fund	0.00	0.00	0.00
	TOTAL	18 337 636.99	16 400 908.25	1 936 728.74

CARRY-OVER

Item	Heading	Carry-over	Payments	Carry-over unused (lapsing)
		A	B	C = A - B
	TOTAL TITLE 1	710 972.41	619 397.86	91 574.55
	Chapter 11	616 256.10	551 867.58	64 388.52
	Chapter 13	14 316.72	2 006.11	12 310.61
	Chapter 14	48 426.79	42 601.71	5 825.08
	Chapter 15	0.00	0.00	0.00
	Chapter 16	30 909.10	22 922.46	7 986.64
	Chapter 17	1 063.70	0.00	1 063.70
	TOTAL TITLE 2	8 307 067.43	7 483 660.26	823 407.17
	Chapter 20	1 529 831.56	1 350 572.60	179 258.96
	Chapter 21	3 767 499.93	3 538 396.43	229 103.50
	Chapter 22	635 079.52	557 060.53	78 018.99
	Chapter 23	1 402 092.68	1 204 027.72	198 064.96
	Chapter 24	266 098.76	174 958.03	91 140.73
	Chapter 25	197 930.98	154 408.95	43 522.03
	Chapter 26	508 534.00	504 236.00	4 298.00
	TOTAL TITLE 3	9 319 597.15	8 297 850.13	1 021 747.02
	Chapter 32	981 194.52	943 395.14	37 799.38
	Chapter 33	6 831 757.43	6 261 140.78	570 616.65
	Chapter 34	317 088.27	228 552.82	88 535.45
	Chapter 35	1 189 556.93	864 761.39	324 795.54
	TOTAL TITLE 10	0.00	0.00	0.00
	Chapter 10	0.00	0.00	0.00
	TOTAL	18 337 636.99	16 400 908.25	1 936 728.74

CLOSURE OF BUDGET 2021
REVENUE

Heading	Budget forecast	Amending budget	Total budget	Revenue established	Revenue established and recorded
	A	B	A + B = C		
<u>FEES AND ADDITIONAL FEES</u>	<u>251 486 557.88</u>	<u>30 000 000.00</u>	<u>281 486 557.88</u>	<u>270 994 004.83</u>	<u>270 994 004.83</u>
Basic fee for the application for an individual mark or a collective mark	117 297 600.00	24 879 150.00	142 176 750.00	137 657 750.00	137 657 750.00
Fee for application for each class of goods and services exceeding one for an individual or collective mark	24 158 800.00	5 120 850.00	29 279 650.00	26 651 682.83	26 651 682.83
Opposition fees net of refunds (5):	3 727 360.00	0.00	3 727 360.00	4 061 030.00	4 061 030.00
Fee for the registration of a licence or another right in respect of a registered EUTM or an application	402 400.00	0.00	402 400.00	322 800.00	322 800.00
Basic fee for the renewal for an individual or collective mark	57 926 300.00	0.00	57 926 300.00	55 292 300.00	55 292 300.00
Fees for declarations of division of a registered EUTM (Art. 56(4)), or an application for EUTM (Art. 50.(3))	16 750.00	0.00	16 750.00	30 000.00	30 000.00
Appeal fee	2 131 200.00	0.00	2 131 200.00	1 507 280.00	1 507 280.00
Additional fee for the late payment of the renewal fee or the late submission of the request for renewal	910 510.08	0.00	910 510.08	785 000.00	785 000.00
Additional fee for late payment reception	22 930.00	0.00	22 930.00	12 733.00	12 733.00
Fee for the alteration of a registered European Union trade mark (Art.54(4))	2 200.00	0.00	2 200.00	3 600.00	3 600.00
Fee for the conversion of a mark into a national trade mark application	85 400.00	0.00	85 400.00	74 000.00	74 000.00
Fee for intitutio in integrum:	7 800.00	0.00	7 800.00	7 600.00	7 600.00
Fee for the application for revocation or for a declaration of invalidity	1 436 400.00	0.00	1 436 400.00	1 263 780.00	1 263 780.00
Fee for the cancellation of the registration of a licence or other right	131 000.00	0.00	131 000.00	93 000.00	93 000.00
Fees for continuation of proceedings (Art.105(1))	104 800.00	0.00	104 800.00	106 400.00	106 400.00
Fee for the review of the determination of the procedural costs to be refunded	0.00	0.00	0.00	500.00	500.00
Fee for the issue of a copy of the application for a European Union trade mark, a copy of the certificate of registration, or an extract from the register	174 000.00	0.00	174 000.00	103 520.00	103 520.00
Fee for the issue of copies of file documents	0.00	0.00	0.00	6 296.00	6 296.00
Fee for the communication of information in a file	11 610.00	0.00	11 610.00	83.00	83.00
Fee for optional Search reports	42 000.00	0.00	42 000.00	21 240.00	21 240.00

CLOSURE OF BUDGET 2021
REVENUE

Heading	Budget forecast A	Amending budget B	Total budget A + B = C	Revenue established	Revenue established and recorded
<u>FEES RECEIVED RELATED TO MADRID PROTOCOL EUTM</u>					
Basic fees for Madrid Protocol TMS	25 406 789.80	0.00	25 406 789.80	26 249 969.00	26 249 969.00
Fee for each class of goods and services received through Madrid Protocol exceeding one	5 147 217.25	0.00	5 147 217.25	4 659 545.00	4 659 545.00
Fees for trade mark registration received through Madrid Protocol (M-007):	0.00	0.00	0.00	3 400.00	3 400.00
Transmittal fee of an international application	3 232 800.00	0.00	3 232 800.00	3 538 200.00	3 538 200.00
Basic fees for the renewal of a trade mark via Madrid Protocol	9 110 690.75	0.00	9 110 690.75	8 542 296.00	8 542 296.00
<u>FEES RECEIVED RELATING TO COMMUNITY DESIGNS</u>	<u>30 956 164.36</u>	<u>0.00</u>	<u>30 956 164.36</u>	<u>31 947 306.46</u>	<u>31 947 306.46</u>
Registration fees	6 644 930.00	0.00	6 644 930.00	7 402 090.00	7 402 090.00
Registration fees	6 210 790.00	0.00	6 210 790.00	6 244 025.00	6 244 025.00
Fee for the deferment of publication	6 712 140.00	0.00	6 712 140.00	7 025 650.00	7 025 650.00
Fee for the publication after deferment	321 860.00	0.00	321 860.00	285 820.00	285 820.00
Miscellaneous fees	899 200.00	0.00	899 200.00	1 004 801.50	1 004 801.50
Registration fees (IR)	973 275.38	0.00	973 275.38	888 733.00	888 733.00
Basic fee for the renewal	9 193 968.98	0.00	9 193 968.98	9 096 186.96	9 096 186.96
<u>ADMINISTRATIVE CHARGES:</u>	<u>32 000.00</u>	<u>0.00</u>	<u>32 000.00</u>	<u>22 870.50</u>	<u>22 870.50</u>
For insufficient funds in the current account	32 000.00	0.00	32 000.00	22 870.50	22 870.50
<u>MISCELLANEOUS SERVICES</u>	<u>100 000.00</u>	<u>0.00</u>	<u>100 000.00</u>	<u>193 528.72</u>	<u>186 042.06</u>
Miscellaneous services	100 000.00	0.00	100 000.00	193 528.72	186 042.06
<u>SALES OF PUBLICATION</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>UNION SUBSIDY</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Subsidy from the E. U.	0.00	0.00	0.00	0.00	0.00
<u>INTEREST</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5 964.50</u>	<u>5 964.50</u>
Bank interests	0.00	0.00	0.00	5 964.50	5 964.50
<u>BALANCE FROM THE PREVIOUS FINANCIAL YEAR</u>	<u>221 503 302.42</u>	<u>0.00</u>	<u>221 503 302.42</u>	<u>0.00</u>	<u>0.00</u>
Balance from the previous financial year and withdrawals from the Reserve Fund	221 503 302.42	0.00	221 503 302.42	0.00	0.00
TOTAL REVENUE	504 078 024.66	30 000 000.00	534 078 024.66	303 163 675.01	303 156 188.35

EXPENSES FOR EU FUNDED PROJECTS AND SME FUND

Item	Heading	Appropriations			Commitments		Payments				Amounts to carry over to following year	
		Total appropriation	Carried over from previous year	In the year	Carried over from previous year	In the year	Previous year	In the year	Total	%	Appropriations	Commitments
		A	B	C	D	E	F	G	H = F + G	I = H / A	J = B + C - E	K = D + E - G
4000-04	IP Key China II	6 000 000.00	294 967.86	881 466.73	1 976 207.10	453 625.85	2 847 358.31	969 883.76	3 817 242.07	63.6%	722 808.74	1 459 949.19
4000-05	IP Key South East Asia	5 244 302.23	1 256 809.41	695 551.00	1 433 684.27	885 690.44	1 858 257.55	1 098 186.17	2 956 443.72	56.4%	1 066 669.97	1 221 188.54
4000-06	IP Key Latin America	5 000 000.00	1 499 808.36	0.00	1 035 786.17	- 325 397.14	2 464 405.47	710 389.03	3 174 794.50	63.5%	1 825 205.50	0.00
4000-07	ARISE + IPR	4 275 497.39	654 651.69	803 688.99	1 297 548.06	777 369.24	1 519 608.65	964 107.77	2 483 716.42	58.1%	680 971.44	1 110 809.53
4000-08	Cariforum	1 986 699.22	252 040.00	747 721.22	761 137.01	561 034.45	225 800.99	518 885.16	744 686.15	37.5%	438 726.77	803 286.30
4000-09	EUGIPP (Georgia)	837 476.96	197 896.80	401 448.96	189 386.79	290 358.00	48 744.41	147 940.02	196 684.43	23.5%	308 987.76	331 804.77
4000-10	IPR Action for Africa (AfrIPI)	5 351 643.80	477 480.00	2 251 643.80	2 547 311.09	1 841 636.04	75 208.91	1 104 759.40	1 179 968.31	22.0%	887 487.76	3 284 187.73
4000-11	AL-INVEST Verde PI (Mercosur)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
4000-12	IP Key Latin America II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
	Total EU-FUNDED	28 695 619.60	4 633 654.12	5 781 520.70	9 241 060.49	4 484 316.88	9 039 384.29	5 514 151.31	14 553 535.60	50.7%	5 930 857.94	8 211 226.06
4301-01	SME Fund 2021	200 000.00	0.00	200 000.00	0.00	200 000.00	0.00	38 106.57	38 106.57	19.1%	0.00	161 893.43
4301-02	SME Fund 2022-2024	1 000 000.00	0.00	1 000 000.00	0.00	0.00	0.00	0.00	0.00	0.0%	1 000 000.00	0.00
	Total SME FUND	1 200 000.00	0.00	1 200 000.00	0.00	200 000.00	0.00	38 106.57	38 106.57	3.2%	1 000 000.00	161 893.43
	TOTAL	29 895 619.60	4 633 654.12	6 981 520.70	9 241 060.49	4 684 316.88	9 039 384.29	5 552 257.88	14 591 642.17	48.8%	6 930 857.94	8 373 119.49

INTERNAL ASSIGNED REVENUE OF THE YEAR

Item	Heading	Appropriations	Commitments	Payments	Amounts to carry over to following year		RAL
		A	B	C	Appropriations	Commitments	
					A - B	B - C	
1100	Basic salaries	1 023 331.64	0.00	0.00	1 023 331.64	0.00	1 023 331.64
1101	Family allowances	130 986.45	0.00	0.00	130 986.45	0.00	130 986.45
1102	Expatriation and foreign residence allowances	109 496.49	0.00	0.00	109 496.49	0.00	109 496.49
1115	Contract agents	129 896.02	0.00	0.00	129 896.02	0.00	129 896.02
1130	Insurance against sickness	35 918.94	0.00	0.00	35 918.94	0.00	35 918.94
1131	Insurance against accidents and occupational disease	3 990.99	0.00	0.00	3 990.99	0.00	3 990.99
1133	Establishment or maintenance of pension rights for officials and other staff	203 336.00	0.00	0.00	203 336.00	0.00	203 336.00
1300	Mission expenses, travel expenses and incidental expenditure	82 470.49	0.00	0.00	82 470.49	0.00	82 470.49
2020	Water, gas, electricity, heating and other miscellaneous expenditure	5 023.11	0.00	0.00	5 023.11	0.00	5 023.11
2102	Computer centre operations - Acquisitions and maintenance - Central hardware	204 964.48	0.00	0.00	204 964.48	0.00	204 964.48
2122	IT Infrastructure and Operation	43 341.87	0.00	0.00	43 341.87	0.00	43 341.87
2141	Analysis, programming, preliminary analysis - Maintenance of applications	199 256.00	0.00	0.00	199 256.00	0.00	199 256.00
3202	Enforcement	294 672.00	0.00	0.00	294 672.00	0.00	294 672.00
3300	EU Cooperation ECP	3 800.17	0.00	0.00	3 800.17	0.00	3 800.17
3591	Expenditure on litigation relating to European Union Trade Mark and Community Designs proceedings	27 564.82	0.00	0.00	27 564.82	0.00	27 564.82
	TOTAL	2 498 049.47	0.00	0.00	2 498 049.47	0.00	2 498 049.47

INTERNAL ASSIGNED REVENUE CARRIED OVER

Item	Heading	Amounts carried over of the previous year		Commitments from appropriations carried over	Payments	To cancel
		Appropriations	Commitments	C	D	E = A + B - D
		A	B			
1100	Basic salaries	31 077.85	0.00	0.00	0.00	31 077.85
1101	Family allowances	3 866.08	0.00	0.00	0.00	3 866.08
1102	Expatriation and foreign residence allowances	3 462.07	0.00	0.00	0.00	3 462.07
1115	Contract agents	116 810.00	0.00	0.00	0.00	116 810.00
1130	Insurance against sickness	1 078.40	0.00	0.00	0.00	1 078.40
1131	Insurance against accidents and occupational disease	121.20	0.00	0.00	0.00	121.20
1133	Establishment or maintenance of pension rights for officials and other staff	6 187.60	0.00	0.00	0.00	6 187.60
1300	Mission expenses, travel expenses and incidental expenditure	73 180.62	0.00	0.00	0.00	73 180.62
2020	Water, gas, electricity, heating and other miscellaneous expenditure	5 213.19	0.00	0.00	0.00	5 213.19
2102	Computer centre operations - Acquisitions and maintenance - Central hardware	164 276.47	0.00	0.00	0.00	164 276.47
2122	IT Infrastructure and Operation	45 417.98	0.00	0.00	0.00	45 417.98
2230	New purchases, replacement, hire, maintenance, use and repair of vehicles	51 880.00	0.00	0.00	0.00	51 880.00
3201	Public Awareness	22 152.03	0.00	0.00	0.00	22 152.03
3202	Enforcement	114 410.00	0.00	0.00	0.00	114 410.00
3410	Communication, promotion and events	17 020.00	0.00	0.00	0.00	17 020.00
	TOTAL	656 153.49	0.00	0.00	0.00	656 153.49

Transfer number	From item	Amount EUR	To item	Amount EUR	Date of Execution	Reason		
1	1100	BASIC SALARIES	400 000.00		15/01/2021	<p>There will be less expenditure on salary-related budget items than initially estimated. This is because of delays in recruiting statutory staff and more departures than expected (mainly as a result of voluntary retirement).</p> <p>More funds are needed because of the following exceptional circumstances:</p> <ul style="list-style-type: none"> - filing volumes have increased significantly, especially in the last quarter of 2020; - higher than expected indexation and weighting factor; - an unexpected increase in senior staff working part-time before retirement age; - Brexit-related costs were higher than initially estimated. 		
				1175			AGENCY STAFF	400 000.00
2	2000	RENT	51 000.00		29/04/2021	<p>It has been decided to postpone the rental of office space in Bangkok. The amount of 51,000€ is therefore available in this budget line.</p> <p>The sale of vehicles has reduced the vehicle insurance cost.</p> <p>The remaining amount is due to lower than expected electricity and water consumption caused by the alternation of personnel teleworking in the buildings.</p> <p>The remaining amount is due to lower prices in the new maintenance contract, mainly in terms of preventive maintenance.</p> <p>The impact of COVID-19 on teleworking has resulted in reduced consumption of office supplies.</p> <p>The remaining amount is because there is no price revision this year.</p> <p>The reduction of face-to-face events during the COVID-19 pandemic has also impacted on the interpretation costs at these events.</p> <p>Various projects, such as the upgrade of the fire detection system, further improvements in energy efficiency, the smart campus, the development of the Building Management System, the ceiling of the AA2 walkway among others projects, have to take place this year.</p> <p>Various improvements to meeting rooms to allow hybrid meetings (face-to-face and online) and an increase of technical assistance costs due to online events are needed this year.</p> <p>Increase in service prices by Correos (Spanish state-owned company responsible for providing postal service in Spain).</p>		
	2010	INSURANCE	5 000.00					
	2020	WATER, GAS, ELECTRICITY, HEATING AND OTHER MISCELLANEOUS EXPENDITURE	76 400.00					
	2030	CLEANING AND MAINTENANCE	80 000.00					
	2300	STATIONERY AND OFFICE SUPPLIES	15 000.00					
	2359	OTHER SERVICES AND OPERATING EXPENDITURE	267 000.00					
	2391	SERVICES RENDERED BY INTERPRETERS	160 000.00					
				2080			STUDIES AND TECHNICAL ASSISTANCE IN CONNECTION WITH BUILDING PROJECTS	221 400.00
			2200	NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF TECHNICAL EQUIPMENT AND INSTALLATIONS	410 000.00			
			2400	POSTAL AND DELIVERY CHARGES	23 000.00			
3	1100	BASIC SALARIES	1 100 000.00		18/05/2021	<p>The planned expenditure is lower than initially envisaged, mainly because of the following:</p> <ul style="list-style-type: none"> -the average cost of officials and temporary agents is slightly lower than envisaged; -there has been a higher number of departures than planned for (mainly voluntary retirements); -delays in planned staff entries into service. <p>The planned expenditure is lower than initially envisaged, mainly because of the following:</p> <ul style="list-style-type: none"> -a higher number of departures than planned for (mainly due to Brexit and the COVID-19 pandemic); and -delays in planned entries into service of new Seconded National Experts, mainly due to COVID-19 pandemic. <p>More funds needed because of the following:</p> <ul style="list-style-type: none"> - there has been a remarkable growth in demand for both EU trade marks and designs during the first quarter of the year. To date this is reflected in a 6% annual increase above the original estimations. This may still rise further during the coming months. As a result, this has caused an unplanned peak of work affecting several departments that had to be supported partially with agency staff; - the pandemic is, in some cases, affecting the planned dates of entry into service of newly hired staff. This requires the use of agency staff to ensure the business continuity of operations in several departments; - different Office programs, currently under implementation, are encountering either an unexpected success or limited implementation issues, which necessitates rapid support in the form of agency staff to ensure that the work progresses well and that the expected results are achieved. <p>Due to the current situation, departments are requesting more consultancy services to cover their needs for the remaining part of 2021.</p>		
	1160	STAFF EXCHANGES	500 000.00					
				1175			AGENCY STAFF	900 000.00
				2600			LIMITED CONSULTATIONS, STUDIES AND SURVEYS	700 000.00
4	3206	STATUTORY MEETINGS	360 000.00		10/06/2021	<p>The COVID-19 pandemic has reduced the number of face-to-face events and the associated travelling costs.</p> <p>At the time of drafting the budget estimates for the EC back in July 2020, it was decided to include appropriations in budget line 330005 for meetings and other events. These estimates were calculated using face-to-face events as a reference, since it was not known at the time how the pandemic situation would evolve in 2021.</p> <p>Now that we are in the middle of the 2021 budget exercise, it is evident that not all funds available in budget line 330005 will be needed and some funds can be used to cover other needs, and print channels.</p> <p>The Office aims to improve its communication presence in several strategic areas. To achieve this the following activities have been planned: a follower campaign for the Office's corporate channels; the launch and promotion of the Design events; and the production of editorial content regarding IP in business for both online and print channels.</p>		
	3300	EUROPEAN COOPERATION	30 000.00					
				3410			COMMUNICATION, PROMOTION AND EVENTS	390 000.00

Transfer number	From item	Amount EUR	To item	Amount EUR	Date of Execution	Reason		
5	1160	STAFF EXCHANGES	510 000.00		09/06/2021	<p>The planned expenditure is lower than initially envisaged, mainly because of the following: - a higher number of departures than planned for (mainly due to Brexit and the COVID-19 pandemic); and - delays in planned entries into service of new Seconded National Experts, mainly due to COVID-19 pandemic.</p> <p>The planned expenditure is lower than initially envisaged, mainly because of the following: - in response to the COVID-19 pandemic, the Spanish authorities severely restricted movement in Spain and beyond and these restrictions remained in force until May 2021. Therefore, most of the business trips planned during this period of the year did not take place.</p> <p>Due to the uncertainty of the amount of funds needed until the end of the year, the amount of EUR 745 000 can be temporarily used to cover other needs. This will be reassessed during the following quarterly revisions and corrected if necessary.</p> <p>The COVID-19 pandemic has reduced the number of face to face events and the associated travelling costs.</p> <p>At the time of drafting the budget estimations for the EC envelope in July 2020, it was decided to include appropriations in budget line 330005 for meetings and other events. The estimations were calculated considering face to face events as a reference, since it was not known at the time how the COVID-19 pandemic would develop in 2021.</p> <p>Now that we are in the middle of the 2021 budget exercise, we believe that not all the funds available in BL 330005 will be needed and instead they can be used to cover other needs.</p> <p>A review of planned activities resulted in an increase of the number of projects to be implemented which in turn has led to an increase in the planned expenditure for the year.</p> <p>The purchase of the stretch of road and the perimetral green area approved by the Budget Committee in June 2019 and again in June 2020 was not possible to carry out in 2020 due to the COVID-19 pandemic and it was not included in the 2021 budget. The signing of the contract is now expected to take place at some time in 2021.</p> <p>The replacement of some audiovisual equipment became urgent due to the increase in the number of online meetings.</p> <p>The refurbishment of the JCC meeting room resulted in an unplanned need for additional furniture.</p>		
	1300	MISSION EXPENSES, TRAVEL EXPENSES AND INCIDENTAL EXPENDITURE	135 000.00					
	2392	ADMINISTRATIVE TRANSLATION	745 000.00					
	3206	STATUTORY MEETINGS	100 000.00					
	3300	EUROPEAN COOPERATION	85 000.00					
				2040			FITTING OUT OF PREMISES	230 000.00
				2060			ACQUISITION OF IMMOVABLE PROPERTY	460 000.00
				2200			NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF TECHNICAL EQUIPMENT AND INSTALLATIONS	100 000.00
			2210	NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF FURNITURE	785 000.00			
6	3202	ENFORCEMENT	262 700.00		05/07/2021	<p>The amount requested to be transferred includes funds from cooperation with Eurojust that, finally, after negotiations, were not needed, and the development of the Virtual Training Centre that is suffering some delays and the funds will not be fully spent in 2021.</p> <p>These funds correspond to the Case-Law Collection project. After contracting the services required for 2021, the transferred amount will not be needed.</p> <p>These funds correspond to the infringing business models and the study on advertising IPR infringement. After contracting both studies, the transferred amount will not be needed.</p> <p>These funds correspond to the infringing business models. After contracting the study, the transferred amount will not be needed.</p> <p>Due to COVID-19 restrictions in 2021, most of the planned face to face events will be held online. This has had an impact on the initial budget.</p> <p>These resources will allow the Communication Service to continue and expand the promotion of the SME Fund through a digital campaign, to (a) increase the amount of followers on social media, (b) increase the amount of publicity about the SME Fund, (c) reach a larger audience through content placement and press campaigns, and (d) produce more content promoting the SME Fund.</p> <p>Due to an increase in the number of user interactions in first line, additional price adjustments will be necessary over the rest of the year.</p> <p>The increase is mainly linked to the SME Fund, as each time a window for the SME Fund is opened the number of written queries increases. Although the funds in this BL had already taken into account the expected increase in written queries, the price adjustment for Q1 was higher than initially estimated due to the fax phase out campaign carried out by the service provider.</p>		
	3203	LEGAL AND INTERNATIONAL	8 998.30					
	3204	IP IN THE DIGITAL WORLD	18 975.20					
	3205	ECONOMICS & STATISTICS	2 350.00					
	3206	STATUTORY MEETINGS	123 976.50					
				3410			COMMUNICATION, PROMOTION AND EVENTS	300 000.00
			3570	EXPENDITURE ON EXTERNAL SERVICES RELATING TO EUTM AND RCD PROCEEDINGS	117 000.00			

Transfer number	From item	Amount EUR	To item	Amount EUR	Date of Execution	Reason		
7	2101	COMPUTER CENTRE OPERATIONS LICENCES AND MAINTENANCE CENTRAL SOFTWARE	536 700.00			27/06/2021	In the context of the ERP project, and specifically the allowances module, two design phases have been conducted by the provider to define the exact needs. Due to delays in the project, the Office and the provider agreed to delay the date of availability of some features and therefore the subscription period for licences has been postponed to 2022, thus making funds available in 2021. In addition, software licences required for the SME programme were postponed.	
				2125	SERVICES OF COMPUTER OPERATIONS STAFF MISCELLANEOUS		342 300.00	In the context of the ERP project, there is an additional need for consultancy services to be provided by SAP as the adoption of the standard solution is more challenging than initially envisaged. Additional GAPs have been identified during the iterations, and require customised adjustments to the standard product functionality.
				2141	ANALYSIS, PROGRAMMING, PRELIMINARY ANALYSIS - MAINTENANCE OF APPLICATIONS		50 000.00	In the context of the ERP project, there is an additional need for the activities covering the successful implementation of the declaration of interest module, as well as to continue the project support services until the end of 2021.
				2142	ANALYSIS, PROGRAMMING, PRELIMINARY ANALYSIS - SUPPORT, RESOURCE MANAGEMENT AND OTHERS		95 000.00	In the context of the ERP project, there is a need to continue the architecture services until the end of 2021 in order to support the successful implementation of the project and post go-live activities.
				2600	LIMITED CONSULTATIONS, STUDIES AND SURVEYS		49 400.00	As a result of the quarterly revision, some strategic projects under the SME programme revealed the need to increase the provisions for consultancy and studies.
8	1101	FAMILY ALLOWANCES	203 225.00			19/07/2021	The planned expenditure is lower than initially envisaged mainly because of the following: - delays in recruiting statutory staff together with more departures (mainly voluntary retirements). The January 2021 starting point is slightly lower than planned by approximately 30 Full Time Equivalents. This will generate less expenditure in family allowance-related budget items than initially envisaged.	
				1184	TEMPORARY DAILY SUBSISTENCE ALLOWANCES		203 225.00	More funds are needed because of the impact of higher than expected indexation, the recovery of 2020 daily allowance payments and a higher number of agents entitled to receive the allowances.
10100		PROVISION FOR UNFORESEEN EVENTS	9 000 000.00				The Office is facing an unexpected and unprecedented increase in the level of EUTM filings. The consequent increase of workload has triggered a prompt reaction adjusting the Office's structure to this increase. To support this reaction, several budgetary transfers were performed during the first semester of the year using temporary funds (planned to be used in the last quarter) or funds that were not expected to be used (according to earlier revisions), however this is subject to confirmation in future revision cycles. The latest estimates show that the Office's additional needs to cover the increased workload go beyond the current availability of funds. The required level of funding is higher than the initial appropriations and some of the expected changes in execution did not materialise. In light of the above, a transfer from Title 10 (Item 10100) must be done urgently in order to adjust the available budget to the new situation. Resources are needed in a timely manner to allow the Office to carry out necessary payments and to avoid, as far as possible, an increase in potential carry-overs. <u>In order to avoid duplications, some previous transfers must be partially or totally reversed.</u>	
				1100	BASIC SALARIES		1 300 000.00	The financial impact of the expected lower number of staff is counterbalanced by a higher indexation rate that will increase the average salary (from 1.35% to 2.30% according to the Summer economic forecast of the European Commission). The uncertainty of the indexation rate (which will only be known in December 2021 but applied retroactively from July 2021) requires a prudent approach and a higher level of control (revert transfer file No 1 and transfer file No 3).
				1160	STAFF EXCHANGES		400 000.00	The financial impact of the expected lower number of SNEs is now offset by a higher average cost of newcomers (revert partially transfer file No 3 (limited to 10% of BL 2600)).
				1175	AGENCY STAFF		200 000.00	The increase in agency staff is the most suitable solution to immediately and temporarily cover the sharp increase in workload, in particular in the Operations Department. However, a long term solution needs to be put in place. The impact of the COVID-19 pandemic is evident and it has caused a significant delay in the recruitment process, resulting in an increasing gap between the level of resources needed and those available. The increase in statutory staff salaries (indexation rate used for agency staff cost calculation) has also contributed to the increase in the amount needed. <u>However, the amount is partially offset by the revert transfer file No 1 and transfer file No 3.</u>

Transfer number	From item	Amount EUR	To item	Amount EUR	Date of Execution	Reason
9			2040 FITTING-OUT OF PREMISES	.00	27/07/2021	In line with the staff increase it was also necessary to increase and accelerate some projects related to health and safety that were already identified by previous external audits and which had become urgent (safety and accessibility and food safety risks). However, the amount is offset by the revert transfer file No 5 (partially due to rounding).
			2101 COMPUTER CENTRE OPERATIONS LICENCES AND MAINTENANCE CENTRAL SOFTWARE	145 000.00		The expected staff increase before the end of this year requires a higher investment in software licences and associated services.
			2102 COMPUTER CENTRE OPERATIONS ACQUISITIONS AND MAINTENANCE CENTRAL HARDWARE	3 120 000.00		Increasing volumes makes it urgent to deploy more infrastructure and support services, including storage, computers, backup capacity and capacity within the IT architecture and service management contracts.
			2122 IT INFRASTRUCTURE AND OPERATION	895 000.00		Both the increase in business operations and staff numbers will require a higher investment in IT operations and service management services, as its main focus is on the correct functioning of the Office's infrastructure and daily support given to staff.
			2141 ANALYSIS, PROGRAMMING, PRELIMINARY ANALYSIS - MAINTENANCE OF APPLICATIONS	650 000.00		The increasing number of users and examiners will require additional maintenance, both adaptive and corrective. Investing towards automation of processes and tasks is advised for core IT applications.
			2142 ANALYSIS, PROGRAMMING, PRELIMINARY ANALYSIS - SUPPORT, RESOURCE MANAGEMENT AND OTHERS	600 000.00		The increased volume of IP rights applications, and the overall use of our systems, have introduced new challenges in terms of availability, resilience and observability of the Office's software. The increase is requested to support the operational and strategic part of the external architecture team in relation to initiatives to automate back-office processes and systems, network and security related infrastructure provisioning, and for the further improvement of the IT quality process, governance and test automation.
			2204 ELECTRONIC OFFICE EQUIPMENT	90 000.00		Required to cover the expected increase in staff numbers in the office (laptops and accessories).
			2200 NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF TECHNICAL EQUIPMENT AND INSTALLATIONS	.00		The increase in staff (statutory and non-statutory) and the limitations still in place due to the COVID-19 pandemic resulted in the need to increase the scale of work support equipment, in particular, equipment to support hybrid work. However, the amount is offset by the revert transfer file No 2 and transfer file No 5 (partially due to rounding).
			2392 ADMINISTRATIVE LINGUISTIC SERVICES	1 300 000.00		The workload increase is also reflected in the increasing needs for administrative translations, in particular in the areas of customer services and communication. The availability of funds for translations was temporary (and expected to be used during the last quarter). The various estimates confirmed the budgeted amounts. The urgency of the actions to be implemented required prompt action, and it was expected that other changes occurring in the following quarter would be sufficient to cover the need in translations, but this was not the case (revert transfer file No 2 and transfer file No 5 (partially due to rounding)).
		2600 LIMITED CONSULTATIONS, STUDIES AND SURVEYS	300 000.00	The delays in planned staff entries into service have also impacted some project implementations. Due to the absence of some profiles required to carry out tasks in certain strategic projects, it has been necessary to look for the required expertise outside the Office to avoid delays in project implementation. In addition, this amount is counterbalanced due to the revert partially transfer file No 3 (limited to 10% of BL 2600).		
10	2210	NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF FURNITURE	54 000.00		17/09/2021	The expenditure on furniture will be lower than originally expected.
			2040 FITTING-OUT OF PREMISES	54 000.00		Additional funds will be required for the reform of the AA1 building's facades to allow access for firefighters (tender prices are higher than expected).
11	4102	EXPENDITURE OF SECOND NATIONAL EXPERTS FOR EU FUNDED PROJECTS	27 602.56		06/10/2021	Expenditure is expected to be lower than envisaged because both average salaries and the number of agents are expected to be lower than planned for.
	4301	CONTRIBUTION TO EU POLICIES (SME) - CD	25 550.44			The Office has received a higher volume of requests than was envisaged, but the overall amount spent is lower than initially estimated.
			4201 CO-FINANCING OF THE EUROPEAN SCHOOL OF ALICANTE	53 153.00		Planned expenditure was higher than initially envisaged mainly because of the increase in the educational support cost and the number of teachers needed as a result of the health authorities' requirements due to the pandemic (i.e. a reduction of the number of children per class implied the creation of more classes).

Transfer number	From item	Amount EUR	To item	Amount EUR	Date of Execution	Reason	
12	2101	COMPUTER CENTRE OPERATIONS LICENCES AND MAINTENANCE CENTRAL SOFTWARE		587 150.05		03/11/2021	The execution estimates for purchases of new software products were revised at the end of Q3 2021, for both SP2025 projects and operational activities
	2141	ANALYSIS, PROGRAMMING, PRELIMINARY ANALYSIS - MAINTENANCE OF APPLICATIONS		575 956.01			Due to delays registered in the implementation of IT development activities, funds initially reserved for adaptive maintenance effort are released. The SP2025 projects execution estimates were revised at the end of Q3 2021
	2142	ANALYSIS, PROGRAMMING, PRELIMINARY ANALYSIS - SUPPORT, RESOURCE MANAGEMENT AND OTHERS		221 451.07			Due to the difficulties encountered while trying to contract specialised IT Architecture external resources, the unused funds are released. The SP2025 projects execution estimates were revised at the end of Q3 2021
	2359	OTHER SERVICES AND OPERATING EXPENDITURE		72 442.87			Significant reduction in reprography requests related costs due to the pandemic
	2391	SERVICES RENDERED BY INTERPRETERS		40 000.00			Significant reduction in interpretation services due to the pandemic. A big event with interpretation has been moved to virtual with no need for interpretation.
	2410	TELECOMMUNICATIONS		105 000.00			The execution estimates for telephony services were revised at the end of Q3 2021, for both SP2025 projects and operational activities.
	2600	LIMITED CONSULTATIONS, STUDIES AND SURVEYS		485 000.00			Less expenditure than forecasted resulting from replanning of activities. In addition, the new FWC entered into force during 2021 and several activities were delayed.
				2102	COMPUTER CENTRE OPERATIONS ACQUISITIONS AND MAINTENANCE CENTRAL HARDWARE	1 332 000.00	To overcome the challenging technical hurdles linked to the huge increase of the database capacity and the unprecedented monthly growth of data that was registered by EUIPO in 2021, Digital Transformation Department needs to invest in purchasing hardware equipment. The capacity of storage must be incremented to support the increasing data the Office is registering, so extension of disk space equipment needs to be purchased. EUIPO's virtual infrastructure is also overloaded, so old servers have to be replaced with newer machines. The demand for semiconductors on the IT market is much higher than the capacity for supply of manufacturers and vendors and the Office has been communicated delivery times 3 times over the expected ones. Taking this into account, together with the Office's increase of volumes and staff, Digital Transformation Department needs to order the needed hardware equipment as soon as possible to mitigate any risk of causing a business disruption because of lack of space or systems.
				2125	SERVICES OF COMPUTER OPERATIONS STAFF MISCELLANEOUS	100 000.00	EUIPO has been suffering phishing attacks aiming to get user credentials. Given the urgency of solving this matter and due to the inherent risk that these attacks posed to EUIPO's business, clients and data, the Office decided to urgently contract forensic consultancy services, activity that had not been planned in the initially approved budget for professional services.
				2204	ELECTRONIC OFFICE EQUIPMENT	60 000.00	The demand for semiconductors on the IT market is much higher than the capacity for supply of manufacturers and vendors and the Office has been communicated delivery times 3 times over the expected ones. It requires EUIPO to anticipate ordering and consequential expenditure to avoid bottlenecks in supply chains for devices (laptops and accessories) to cover the expected increment of staff in the Office before 2021 year-end.

Transfer number	From item	Amount EUR	To item	Amount EUR	Date of Execution	Reason	
			2320 BANK CHARGES AND OTHER FINANCIAL CHARGES	480 000.00		<p>Negative interests: The total balance exposed to negative interest currently amounts to EUR 443 070 000 €. This is due to the monetary policy put in place by the European Central Bank, which sets the deposit facility rate, currently -0.50% (negative rate). BGL has changed the bank conditions (worse yield and more amount exposed), increasing the negative interest paid by the Office. All commercial banks, except ING, charge negative interest on part of the funds deposited in current or savings accounts. The negative interest forecast for 2021 is EUR 1 722 000 euros, including a small margin for catering for the expected increase of funds over the coming months and the possibly necessary change of distribution of funds. At the moment the Office does not expect any change in the interest rate or in the banks conditions. The current budget for negative interests (functional area 2320000003) amounts to EUR 1 365 224. For this reason, it is necessary to increase the budget for negative interests by EUR 360 000.</p> <p>E-payment Bank charges: Following the COVID-19 impact, the level of e-payment bank charges has increased very significantly, continually up to the current date. Whereas during the first months of 2021, the average monthly expenditure amounted to EUR 47 500, this average stands now at EUR 56 000. The expected expenditure for 2021 is estimated at EUR 652 000. The current budget for e-payment bank charges (functional area 2320000002) amounts to EUR 536 300. For this reason, it is necessary to increase the budget for e-payment by EUR 120 000.</p>	
			3570 EXPENDITURE ON EXTERNAL SERVICES RELATING TO EUTM AND RCD PROCEEDINGS	115 000.00			Several corrective interventions were required in the Website and additional services that were not initially foreseen.
13	2000	RENT		17 000.00		15/11/2021	<p>The need for funds has been lower than initially estimated, because some rentals have been cancelled. Lower than expected maintenance costs. There were fewer than expected modification works, and there was a delay in the carrying out of certain works due to the global shortage of materials, affecting the supply of steel in particular. Lower than expected quality controls costs in 2021. Lower than expected furniture costs. Significant reduction in the cost of office supplies due to the COVID-19 pandemic. Significant reduction in reprography-related costs due to the COVID-19 pandemic. Higher electricity prices. Some services have been resumed due to the relaxation of the COVID-19 rules. Some services have been resumed due to the relaxation of the COVID-19 rules. The relaxation of the COVID-19 rules has permitted an increase in the number of face-to-face events, which was not initially envisaged.</p>
	2030	CLEANING AND MAINTENANCE		285 500.00			
	2040	FITTING-OUT OF PREMISES		500 000.00			
	2080	STUDIES AND TECHNICAL ASSISTANCE IN CONNECTION WITH BUILDING PROJECTS		25 000.00			
	2210	NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF FURNITURE		20 000.00			
	2300	STATIONERY AND OFFICE SUPPLIES		45 000.00			
	2359	OTHER SERVICES AND OPERATING EXPENDITURE		12 500.00			
				2020 WATER, GAS, ELECTRICITY AND HEATING	110 000.00		
			2200 NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF TECHNICAL EQUIPMENT AND INSTALLATIONS	65 000.00			
			2230 NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF VEHICLES	130 000.00			
			2500 CONFERENCES, CONGRESSES AND MEETINGS IN GENERAL	600 000.00			

Transfer number	From item	Amount EUR	To item	Amount EUR	Date of Execution	Reason
14	1100 BASIC SALARIES	1 262 610.00			25/11/2021	Planned expenditure was lower than initially envisaged mainly because of the lower average cost of FT-TA staff observed during the first half of the year, the delays in the entry into service of recruited staff, and more departures than expected (mainly retirements).
			1115 CONTRACT AGENTS	750 000.00		Planned expenditure was higher than initially envisaged because of a higher than expected salary indexation in December 2020 and December 2021 (this last one being retroactively applied as from July 2021), the changes in the Function Group policy (FG III to FG IV) and the increase in the number of contract agents.
			1133 ESTABLISHMENT OR MAINTENANCE OF PENSION RIGHTS FOR OFFICIALS AND OTHER STAFF	450 000.00		Planned expenditure was higher than initially envisaged because of a higher than expected salary indexation in December 2020 and December 2021 (this last one being retroactively applied as from July 2021), the increase in the pension scheme contribution and the impact of staff policy implementation (e.g. change of group, Statutory Link and grade).
			1147 ALLOWANCES FOR SHIFTWORK OR STANDBY DUTY AT THE OFFICIAL'S PLACE OF WORK AND/OR AT HOME	11 000.00		Planned expenditure was higher than initially envisaged because of a higher than expected salary indexation in December 2020 and December 2021 (this last one being retroactively applied as from July 2021), and the addition of a new role to the Business Continuity Plan from 01/01/2021.
			1150 OVERTIME	60.00		Planned expenditure was higher than initially envisaged because of a higher than expected salary indexation in December 2020 and December 2021 (this last one being retroactively applied as from July 2021).
			1500 ORGANIZATION EXPENSES FOR TRAINEESHIPS IN THE OFFICE SER	51 550.00		Planned expenditure was higher than initially envisaged in July 2020 mainly because there were more trainees than were initially budgeted for. In addition, the new Hosting Programme was launched.
15	2040 FITTING-OUT OF PREMISES	92 000.00			30/11/2021	Supply chain delays have meant that the Fireman Access works had to be postponed.
	2080 STUDIES AND TECHNICAL ASSISTANCE IN CONNECTION WITH BUILDING PROJECTS	50 000.00				The costs of quality controls in 2021 have been lower than estimated
	2210 NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF FURNITURE	30 000.00				Lower than expected furniture costs and requirements.
	2230 NEW PURCHASES, REPLACEMENT, HIRE, MAINTENANCE, USE AND REPAIR OF VEHICLES	42 000.00				Lower transport costs than expected because transport was used more efficiently thanks to less restrictive pandemic measures.
	2391 SERVICES RENDERED BY INTERPRETERS	13 000.00				Expenditure on interpretation services was lower than expected because, due to the COVID-19 pandemic, some events were conducted remotely without interpretation services.
	2359 OTHER SERVICES AND OPERATING EXPENDITURE	47 000.00				Lower than expected reprography-related costs.
			2020 WATER, GAS, ELECTRICITY AND HEATING	200 000.00		Higher electricity prices.
			2500 CONFERENCES, CONGRESSES AND MEETINGS IN GENERAL	74 000.00		The costs of face-to-face events were higher than envisaged (additional services were requested) because of the need to reinforce safety measures as a consequence of the COVID-19 pandemic.